

about one-third of his total energy production in overcoming the force of gravity. It may interest you to know that the higher up you go into space, your weight is reduced and the pressure on the heart is similarly reduced. A simple example, which might surprise you, is the knowledge that a person's weight is a trifle less in the upstairs bedroom than in his downstairs living room. Nevertheless, I would not advise you to get rid of your one-story split-level Rambler home so soon.

Another interesting point for you to know is that an athlete can clear a bar on earth (and I mean a bar you jump over, and not a certain other kind of bar) at the height of about 7 feet. The world's record is 7 feet 4½ inches. On the moon, an ordinary man can clear a bar at 42 feet. Think of it, you'd be flying around up there like angels.

Someday it may be possible to send heart patients into orbit for treatment, or they may be ordered by their doctors to live on the moon or on some small planet where gravity is weaker than on the earth. In much the same way, the radiation of outer space may be used to treat diseases, just as X-rays are used today.

A principal hazard is psychological. It arises in part from the feeling that man was not made to go into space. I'd like to devote the remaining moments of my talk to this question.

Of course, it is true—again, if you look at a man with an engineer's eye—that the human frame was not designed primarily for space flight. I have no doubt that this will prove to be the limiting factor in the manned exploration of outer space. On the other hand, was the human frame designed to climb the highest mountains—where man has been—or descend to the farthest depths of the sea—where man has been?

Astronauts and highflying aviators tell us that they sometimes have a sense of isolation out there—of being cut off from the world. They also tell us about another feeling that comes to them on such occasions—a feeling of being closer to God.

For me, the ethical rightness of exploring space was settled in 1956, when His Holiness Pope Pius XII made the following pronouncement at a special audience in Castel Gondolfo:

"The Lord God, who placed in the heart of man the insatiable desire for knowledge,

did not intend to limit man's efforts in the process, as he said, 'submit the earth.' It is the whole creation that he has placed at his command and that he offers to the human mind, so that he may see it through and thus may understand always more profoundly the infinite grandeur of his Creator."

In line with those inspiring words which I have just quoted, it is my firm belief that the exploration of the moon and planets will bring vast benefits, many times greater than their cost, to the Nation, the scientific community, and to all of mankind.

Which in conclusion brings me back to my original question: Is space a challenge to religion? I do not see it as such. I see the exploration of space as a furtherance of human knowledge, as the opening of new vistas for human achievement and the attainment of abundance for all. I see it as God's hand in helping man to understand the universe in which he lives.

Space exploration is not a challenge to God. It is a challenge to man. And the challenge consists not only in obtaining knowledge, but in utilizing it properly and justly, to bring real peace on earth, according to the word of God.

## HOUSE OF REPRESENTATIVES

TUESDAY, FEBRUARY 6, 1962

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

John 9: 4: *I must work the works of Him that sent me, while it is day, for the night cometh when no man can work.*

O Thou who art the Creator and Supreme Ruler of the Universe, may we daily respond with faith and vigor to Thy voice of love, calling us to be workers with Thee in meeting the compelling needs of our generation.

Give us a greater sense of mission and urgency as we find ourselves challenged with the task of devising ways and means of providing for the material and spiritual welfare of humanity.

Grant that we may yield ourselves eagerly and earnestly to the promptings and persuasions of Thy Holy Spirit in order that we may rise victoriously above life's conflicts and confusions, its tensions and struggles.

In Christ's name we offer our prayer. Amen.

### THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries, who also informed the House that on February 2, 1962, the President approved and signed bills of the House of the following titles:

H.R. 157. An act to change the name of the Playa del Rey Inlet and Harbor, Venice, Calif., to the "Marina del Rey, Los Angeles, Calif.," and

H.R. 8847. An act to amend the Internal Revenue Code of 1954 so as to provide that a distribution of stock made to an individual (or certain corporations) pursuant to an order enforcing the antitrust laws shall not be treated as a dividend distribution but shall

be treated as a return of capital; and to provide that the amount of such a distribution made to a corporation shall be the fair market value of the distribution.

### EXPANDING AND IMPROVING EDUCATIONAL OPPORTUNITIES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 330)

The SPEAKER laid before the House the following message from the President of the United States, which was read, referred to the Committee on Education and Labor, and ordered to be printed:

#### To the Congress of the United States:

No task before our Nation is more important than expanding and improving the educational opportunities of all our people. The concept that every American deserves the opportunity to attain the highest level of education of which he is capable is not new to this administration—it is a traditional ideal of democracy. But it is time that we moved toward the fulfillment of this ideal with more vigor and less delay.

For education is both the foundation and the unifying force of our democratic way of life—it is the mainspring of our economic and social progress—it is the highest expression of achievement in our society, ennobling and enriching human life. In short, it is at the same time the most profitable investment society can make and the richest reward it can confer.

Today, more than at any other time in our history, we need to develop our intellectual resources to the fullest. But the facts of the matter are that many thousands of our young people are not educated to their maximum capacity—and they are not, therefore, making the maximum contribution of which they are capable to themselves, their families, their communities and the Nation. Their talents lie wasted—their lives are frequently pale and blighted—and their contribution to our economy and culture are lamentably below the levels of their

potential skills, knowledge, and creative ability. Educational failures breed delinquency, despair, and dependence. They increase the costs of unemployment and public welfare. They cut our potential national economic output by billions. They deny the benefits of our society to large segments of our people. They undermine our capability as a Nation to discharge world obligations. All this we cannot afford—better schools we can afford.

To be sure, Americans are still the best educated and best trained people in the world. But our educational system has failed to keep pace with the problems and needs of our complex technological society. Too many are illiterate or untrained, and thus either unemployed or underemployed. Too many receive an education diminished in quality in thousands of districts which cannot or do not support modern and adequate facilities, well-paid and well-trained teachers, or even a sufficiently long school year.

Too many—an estimated 1 million a year—leave school before completing high school—the bare minimum for a fair start in modern-day life. Too many high school graduates with talent—numbering in the hundreds of thousands—fail to go on to college; and 40 percent of those who enter college drop out before graduation. And too few, finally, are going on to the graduate studies that modern society requires in increasing number. The total number of graduates receiving doctorate degrees has increased only about one-third in 10 years; in 1960 they numbered less than 10,000, including only 3,000 in mathematics, physical sciences, and engineering.

An educational system which is inadequate today will be worse tomorrow, unless we act now to improve it. We must provide facilities for 14 million more elementary, secondary school and college students by 1970, an increase of 30 percent. College enrollments alone will nearly double, requiring approximately twice as many facilities to serve nearly 7 million students by 1970. We must find

the means of financing a 75-percent increase in the total cost of education—another \$20 billion a year for expansion and improvement—particularly in facilities and instruction which must be of the highest quality if our Nation is to achieve its highest goals.

#### THE ROLE OF THE FEDERAL GOVERNMENT

The control and operation of education in America must remain the responsibility of State and local governments and private institutions. This tradition assures our educational system of the freedom, the diversity and the vitality necessary to serve our free society fully. But the Congress has long recognized the responsibility of the Nation as a whole—that additional resources, meaningful encouragement and vigorous leadership must be added to the total effort by the Federal Government if we are to meet the task before us. For education in this country is the right—the necessity—and the responsibility—of all. Its advancement is essential to national objectives and dependent on the greater financial resources available at the national level.

Let us put to rest the unfounded fears that "Federal money means Federal control." From the Northwest Ordinance of 1787, originally conceived by Thomas Jefferson, through the Morrill Act of 1862, establishing the still-important and still-independent land-grant college system, to the National Defense Education Act of 1958, the Congress has repeatedly recognized its responsibility to strengthen our educational system without weakening local responsibility. Since the end of the Korean war, Federal funds for constructing and operating schools in districts affected by Federal installations have gone directly to over 5,500 districts without any sign or complaint of interference or dictation from Washington. In the last decade, over \$5 billion of Federal funds have been channeled to aid higher education without in any way undermining local administration.

While the coordination of existing Federal programs must be improved, we cannot meanwhile defer action on meeting our current pressing needs. Every year of further delay means a further loss of the opportunity for quality instruction to students who will never get that opportunity back. I therefore renew my urgent request of last year to the Congress for early action on those measures necessary to help this Nation achieve the twin goals of education: a new standard of educational excellence—and the availability of such excellence to all who are willing and able to pursue it.

#### I. ASSISTANCE TO ELEMENTARY AND SECONDARY EDUCATION

Elementary and secondary schools are the foundation of our educational system. There is little value in our efforts to broaden and improve our higher education, or increase our supply of such skills as science and engineering, without a greater effort for excellence at this basic level of education. With our mobile population and demanding needs, this is not a matter of local or State action alone—this is a national concern.

Since my message on education of last year, our crucial needs at this level have

intensified and our deficiencies have grown more critical. We cannot afford to lose another year in mounting a national effort to eliminate the shortage of classrooms, to make teachers' salaries competitive, and to lift the quality of instruction.

#### CLASSROOMS

To meet current needs and accommodate increasing enrollments—increasing by nearly 1 million elementary and secondary pupils a year in the 1960's—and to provide every child with the opportunity to receive a full-day education in an adequate classroom, a total of 600,000 classrooms must be constructed during this decade. The States report an immediate shortage today of more than 127,000 classrooms and a rate of construction which, combined with heavily increasing enrollments, is not likely to fill their needs for 10 years. Already over half a million pupils are in curtailed or half-day sessions. Unless the present rate of construction is accelerated and Federal resources made available to supplement State and local resources that are already strained in many areas few families and communities in the Nation will be free from the ill effects of overcrowded or inadequate facilities in our public schools.

#### TEACHERS' SALARIES

Teachers' salaries, though improving, are still not high enough to attract and retain in this demanding profession all the capable teachers we need. We entrust to our teachers our most valuable possession—our children—for a very large share of their waking hours during the most formative years of their life. We make certain that those to whom we entrust our financial assets are individuals of the highest competence and character—we dare not do less for the trustees of our children's minds.

Yet in no other sector of our national economy do we find such a glaring discrepancy between the importance of one's work to society and the financial reward society offers. Can any able and industrious student, unless unusually motivated, be expected to elect a career that pays more poorly than almost any other craft, trade, or profession? Until this situation can be dramatically improved—unless the States and localities can be assisted and stimulated in bringing about salary levels which will make the teaching profession competitive with other professions which require the same length of training and ability—we cannot hope to succeed in our efforts to improve the quality of our children's instruction and to meet the need for more teachers.

These are problems of national proportion. Last year I sent to the Congress a proposal to meet the urgent needs of the Nation's elementary and secondary schools. A bill (S. 1021) embodying this proposal passed the Senate last year; and similar legislation (H.R. 7300) was favorably reported to the House by its Committee on Education and Labor. It offered the minimum amount required by our needs and—in terms of across-the-board aid—the maximum scope permitted by our Con-

stitution. It is imperative that such a proposal carrying out these objectives be enacted this session. I again urge the Congress to enact legislation providing Federal aid for public elementary and secondary classroom construction and teachers' salaries.

As noted earlier, Federal aid for construction and operation of many public schools has been provided since 1950 to those local school districts in which enrollments are affected by Federal installations. Such burdens which may remain from the impact of Federal activities on local school districts will be eased by my proposal for assistance to all school districts for construction and teachers' salaries, thus permitting modification and continuation of this special assistance program as proposed in last year's bill.

A fundamental overhauling and modernization of our traditional vocational education programs is also increasingly needed. Pursuant to my message on education last February, a panel of consultants to the Secretary of Health, Education, and Welfare is studying national needs in this area. They have been asked to develop recommendations by the close of this year for improving and re-directing the Federal Government's role in this program.

#### IMPROVEMENT OF EDUCATIONAL QUALITY

Strengthening financial support for education by general Federal aid will not, however, be sufficient. Specific measures directed at selected problems are also needed to improve the quality of education. And the key to educational quality is the teaching profession. About 1 out of every 5 of the nearly 1,600,000 teachers in our elementary and secondary schools fails to meet full certification standards for teaching or has not completed 4 years of college work. Our immediate concern should be to afford them every possible opportunity to improve their professional skills and their command of the subjects they teach.

In all of the principal areas of academic instruction—English, mathematics, physical and biological sciences, foreign languages, history, geography, and the social sciences—significant advances are being made, both in pushing back the frontiers of knowledge and in the methods of transmitting that knowledge. To keep our teachers up to date on such advances, special institutes are offered in some of these areas by many colleges and universities, financed in part by the National Science Foundation and the Office of Education. Many elementary and secondary school teachers would profit from a full year of full-time study in their subject-matter fields. Very few can afford to do so. Yet the benefits of such a year could be shared by outstanding teachers with others in their schools and school systems as well as with countless students. We should begin to make such opportunities available to the elementary and secondary school teachers of this country and thereby accord to this profession the support, prestige, and recognition it deserves.

Another need is for higher standards of teacher education, course content and instructional methods. The colleges and



universities that train our teachers need financial help to examine and further strengthen their programs. Increased research and demonstration efforts must be directed toward improving the learning and teaching of subject-matter and developing new and improved learning aids. Excellent but limited work in educational research and development has been undertaken by projects supported by the National Science Foundation, the Office of Education, and private groups. This must be increased—introducing and demonstrating to far more schools than at present up-to-date educational methods using the newest instructional materials and equipment, and providing the most effective inservice training and staff utilization.

Finally, in many urban as well as rural areas of the country, our school systems are confronted with unusually severe educational problems which require the development of new approaches—the problems of gifted children, deprived children, children with language problems, and children with problems that contribute to the high dropout rate, to name but a few.

To help meet all of these needs for better educational quality and development, and to provide a proper Federal role of assistance and leadership, I recommend that the Congress enact a program designed to help improve the excellence of American education by authorizing:

(1) the award each year of up to 2,500 scholarships to outstanding elementary and secondary school teachers for a year of full-time study;

(2) the establishment of institutes at colleges and universities for elementary and secondary school teachers of those subjects in which improved instruction is needed;

(3) grants to institutions of higher education to pay part of the cost of special projects designed to strengthen teacher preparation programs through better curriculums and teaching methods;

(4) amendment of the Cooperative Research Act to permit support of extensive, multipurpose educational research, development, demonstration, and evaluation projects; and

(5) grants for local public school systems to conduct demonstration or experimental projects of limited duration to improve the quality of instruction or meet special educational problems in elementary and secondary schools.

## II. ASSISTANCE TO HIGHER EDUCATION

In the last 10 days, both Houses of Congress have recognized the importance of higher education to the fulfillment of our national and international responsibilities. Increasing student enrollments in this decade will place a still greater burden on our institutions of higher education than that imposed on our elementary and secondary schools where the cost of education per student is only a fraction as much. Between 1960 and 1970 it is expected that college enrollments will double, and that our total annual operating expenditures for

expanding and improving higher education must increase  $2\frac{1}{2}$  times or by nearly \$10 billion.

In order to accommodate this increase in enrollments, the Office of Education estimates that nearly \$22 billion of college facilities will have to be built during the 1960's—three times the construction achieved in the last 10 years. The extension of the college housing loan program—with a \$1.5 billion loan authorization for 5 years, enacted as part of the Housing Act of 1961—assures Federal support for our colleges' urgent residential needs. I am hopeful that the Congress will this month complete its action on legislation to assist in the building of the even more important and urgently needed academic facilities.

But I want to take this opportunity to stress that buildings alone are not enough. In our democracy every young person should have an equal opportunity to obtain a higher education, regardless of his station in life or financial means. Yet more than 400,000 high school seniors who graduated in the upper half of their classes last June failed to enter college this fall. In this group were 200,000 who ranked in the upper 30 percent of their class, of whom one-third to one-half failed to go on to college principally because of a lack of finances. Others lack the necessary guidance, incentive or the opportunity to attend the college of their choice. But whatever the reason, each of these 400,000 students represents an irreplaceable loss to the Nation.

Student loans have been helpful to many. But they offer neither incentive nor assistance to those students who, by reason of family or other obligations, are unable or unwilling to go deeper into debt. The average cost of higher education today—up nearly 90 percent since 1950 and still rising—is in excess of \$1,750 per year per student, or \$7,000 for a 4-year course. Industrious students can earn a part of this—they or their families can borrow a part of it—but one-half of all American families had incomes below \$5,600 in 1960—and they cannot be expected to borrow, for example, \$4,000 for each talented son or daughter that deserves to go to college. Federal scholarships providing up to \$1,000 a year can fill part of this gap. It is, moreover, only prudent economic and social policy for the public to share part of the costs of the long period of higher education for those whose development is essential to our national economic and social well-being. All of us share in the benefits—all should share in the costs.

I recommend that the full 5-year assistance to higher education proposal before the Congress, including scholarships for more than 200,000 talented and needy students and cost of education payments to their colleges, be enacted without delay.

## III. SPECIAL EDUCATION AND TRAINING PROGRAMS

### 1. MEDICAL AND DENTAL EDUCATION

The health needs of our Nation require a sharp expansion of medical and dental education in the United States. We do not have an adequate supply of physicians and dentists today—we are in

fact importing many from abroad where they are urgently needed—and the shortage is growing more acute, as the demand for medical services mounts and our population grows. Even to maintain the present ratio of physicians and dentists to population we must graduate 50 percent more physicians and 90 percent more dentists per year by 1970, requiring not only the expansion of existing schools but the construction of at least 20 new medical schools and 20 new dental schools.

But here again more buildings are not enough. It is an unfortunate and disturbing fact that the high costs of the prolonged education necessary to enter these professions deprives many highly competent young people of an opportunity to serve in these capacities. Over 40 percent of all medical students now come from the 12 percent of our families with incomes of \$10,000 or more a year, while only 14 percent of the students come from the 50 percent of the Nation's families with incomes under \$5,000. This is unfair and unreasonable. A student's ability—not his parents' income—should determine whether he has the opportunity to enter medicine or dentistry.

I recommend that Congress enact the Health Professions Educational Assistance Act which I proposed last year to (a) authorize a 10-year program of matching grants for the construction of new medical and dental schools and (b) provide 4-year scholarships and cost-of-education grants for one-fourth of the entering students in each medical and dental school in the United States.

### 2. SCIENTISTS AND ENGINEERS

Our economic, scientific, and military strength increasingly requires that we have sufficient numbers of scientists and engineers to cope with the fast-changing needs of our time—and the agency with general responsibility for increasing this supply today is the National Science Foundation. At the elementary and secondary school level, I have recommended in the 1963 budget an expansion of the Science Foundation program to develop new instructional materials and laboratory apparatus for use in a larger number of secondary schools and to include additional subjects and age groups; an expansion of the experimental summer program permitting gifted high school students to work with university research scientists; and an expansion in the number of National Science Foundation-supported institutes offering special training in science and mathematics for high school teachers throughout the country. The budget increase requested for this latter program would permit approximately 36,000 high school teachers, representing about 30 percent of the secondary school teachers of science and mathematics in this country, to participate in the program.

At the higher education level, I am recommending similar budget increases for institute programs for college teachers; improvement in the content of college science, mathematics, and engineering courses; funds for laboratory demonstration apparatus; student research programs; additional top-level

graduate fellowships in science, mathematics, and engineering; and \$61.5 million in grants to our colleges and universities for basic research facilities.

### 3. REDUCTION OF ADULT ILLITERACY

Adult education must be pursued aggressively. Over 8 million American citizens aged 25 or above have attended school for less than 5 years, and more than a third of these completely lack the ability to read and write. The economic result of this lack of schooling is often chronic unemployment, dependency, or delinquency, with all the consequences this entails for these individuals, their families, their communities, and the Nation. The twin tragedies of illiteracy and dependency are often passed on from generation to generation.

There is no need for this. Many nations—including our own—have shown that this problem can be attacked and virtually wiped out. Unfortunately, our State school systems—overburdened in recent years by the increasing demands of growing populations and the increasing handicaps of insufficient revenues—have been unable to give adequate attention to this problem. I recommend the authorization of a 5-year program of grants to institutions of higher learning and to the States, to be coordinated in the development of programs which will offer every adult who is willing and able the opportunity to become literate.

### 4. EDUCATION OF MIGRANT WORKERS

The neglected educational needs of America's 1 million migrant agricultural workers and their families constitute one of the gravest reproaches to our Nation. The interstate and seasonal movement of migrants imposes severe burdens on those school districts which have the responsibility for providing education to those who live there temporarily. I recommend authorization of a 5-year Federal-State program to aid States and school districts in improving the educational opportunities of migrant workers and their children.

### 5. EDUCATIONAL TELEVISION

The use of television for educational purposes—particularly for adult education—offers great potentialities. The Federal Government has sought to further this through the reservation of 270 television channels for education by the Federal Communications Commission and through the provision of research and advisory services by the Office of Education. Unfortunately, the rate of construction of new broadcasting facilities has been discouraging. Only 80 educational TV channels have been assigned in the last decade. It is apparent that further Federal stimulus and leadership are essential if the vast educational potential of this medium is to be realized. Last year an educational television bill passed the Senate, and a similar proposal was favorably reported to the House. I urge the Congress to take prompt and final action to provide matching financial grants to the States to aid in the construction of State or other nonprofit educational television stations.

### 6. AID TO HANDICAPPED CHILDREN

Another longstanding national concern has been the provision of specially trained teachers to meet the educational needs of children afflicted with physical and mental disabilities. The existing program providing Federal assistance to higher education institutions and to State education agencies for training teachers and supervisory personnel for mentally retarded children was supplemented last year to provide temporarily for training teachers of the deaf. I recommend broadening the basic program to include assistance for the special training needed to help all our children afflicted with the entire range of physical and mental handicaps.

### 7. FEDERAL AID TO THE ARTS

Our Nation has a rich and diverse cultural heritage. We are justly proud of the vitality, the creativity and the variety of the contemporary contributions our citizens can offer to the world of the arts. If we are to be among the leaders of the world in every sense of the word, this sector of our national life cannot be neglected or treated with indifference. Yet, almost alone among the governments of the world, our Government has displayed little interest in fostering cultural development. Just as the Federal Government has not, should not, and will not undertake to control the subject matter taught in local schools, so its efforts should be confined to broad encouragement of the arts. While this area is too new for hasty action, the proper contributions that should and can be made to the advancement of the arts by the Federal Government—many of them outlined by the Secretary of Labor in his decision settling the Metropolitan Opera labor dispute—deserve thorough and sympathetic consideration. A bill (H.R. 4172) already reported out to the House would make this possible and I urge approval of such a measure establishing a Federal Advisory Council on the Arts to undertake these studies.

### IV. CONCLUSION

The problems to which these proposals are addressed would require solution whether or not we were confronted with a massive threat to freedom. The existence of that threat lends urgency to their solution—to the accomplishment of those objectives which, in any case, would be necessary for the realization of our highest hopes and those of our children. "If a nation," wrote Thomas Jefferson in 1816, "expects to be ignorant and free, in a state of civilization, it expects what never was and never will be." That statement is even truer today than it was 146 years ago.

The education of our people is a national investment. It yields tangible returns in economic growth, an improved citizenry and higher standards of living. But even more importantly, free men and women value education as a personal experience and opportunity—as a basic benefit of a free and democratic civilization. It is our responsibility to do whatever needs to be done to

make this opportunity available to all and to make it of the highest possible quality.

JOHN F. KENNEDY.

THE WHITE HOUSE, February 6, 1962.

### SELECT COMMITTEE ON EDUCATION

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent that the Select Committee on Education be permitted to hold hearings during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

### PRIVATE CALENDAR

The SPEAKER. This is Private Calendar Day. The Clerk will call the first individual bill on the calendar.

### MIN-SUN CHEN

The Clerk called the bill (S. 316) to grant the status of permanent residence in the United States to Min-Sun Chen.

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

### GIUSEPPE ANIELLO

The Clerk called the bill (H.R. 1352) for the relief of Giuseppe Aniello.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

### MRS. CHOW CHUI HA

The Clerk called the bill (S. 1934) for the relief of Mrs. Chow Chui Ha.

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

### ELWOOD BRUNKEN

The Clerk called the bill (S. 631) for the relief of Elwood Brunken.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Elwood Brunken of Tripp, South Dakota, such sum as the Secretary of Agriculture determines the said Elwood Brunken would have been entitled to receive under his crop insurance policy with the Federal Crop Insurance Corporation for crop losses sustained by him in 1959 had the croplands on which



such losses were sustained not been determined (after such losses were sustained) to be noninsurable by the Federal Crop Insurance Corporation. In determining the amount the said Elwood Brunken would have been entitled to receive, the Secretary of Agriculture shall subtract an amount equal to the amount refunded to the said Elwood Brunken by the Federal Crop Insurance Corporation on account of insurance premiums paid by him for the years 1958 and 1959.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### HOWARD B. SCHMUTZ

The Clerk called the bill (S. 651) for the relief of Howard B. Schmutz.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Howard B. Schmutz, of Salt Lake City, Utah, the sum of \$1,242.50. The payment of such sum shall be in full satisfaction of all claims of the said Howard B. Schmutz against the United States for reimbursement of one-half of the costs incurred by him in constructing two reservoirs on federally owned land in reliance upon the approval by the Agricultural Stabilization Committee of Mohave County, Arizona, of his application for Federal sharing of the costs of constructing such reservoirs under the agricultural conservation program for 1959: Provided, That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.*

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### DR. CARL F. ROMNEY

The Clerk called the bill (H.R. 8780) for the relief of Dr. Carl F. Romney.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Doctor Carl F. Romney is hereby relieved of all liability for repayment to the United States of the sum of \$2,196.80, representing overpayment of compensation he received, through administrative error, as an employee of the Department of the Air Force, Air Force Technical Applications Center, Headquarters, United States Air Force, in the period between July 13, 1958, and November 12, 1960.*

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Doctor Carl F. Romney, the sum of any amounts received or withheld from him on account of the overpay-

ment referred to in the first section of this Act.

With the following committee amendment:

Page 1, line 5, strike out "\$2,196.80" and insert "\$1,866.40".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### WALTER SINGLEVICH

The Clerk called the bill (H.R. 8781) for the relief of Walter Singlevich.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Walter Singlevich is hereby relieved of all liability for repayment to the United States of the sum of \$2,196.80, representing overpayment of compensation he received, through administrative error, as an employee of the Department of the Air Force, Air Force Technical Applications Center, Headquarters United States Air Force, in the period between July 13, 1958, and November 12, 1960.*

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of money in the Treasury not otherwise appropriated, to the said Walter Singlevich, the sum of any amounts received or withheld from him on account of the overpayment referred to in the first section of this Act.

With the following committee amendment:

On page 1, line 4, strike out "\$2,196.80" and insert "\$1,866.40".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### HARRY A. SEBERT

The Clerk called the bill (H.R. 8947) for the relief of Harry A. Sebert.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Harry A. Sebert, an employee of the National Aeronautics and Space Administration, be, and he is hereby, relieved of financial liability for the certification for payment by him of United States disbursing officer vouchers Numbered 66102, 19370, 1725, and 64178, in the total sum of \$1,499.25, for purchase of air conditioning units for Government use in Washington, District of Columbia, in his capacity as certifying officer, Lewis Flight Propulsion Laboratory, National Advisory Committee for Aeronautics, the predecessor of the National Aeronautics and Space Administration. The Comptroller General is authorized and directed to credit the accounts of the said Harry A. Sebert, certifying officer, with the said sum of \$1,499.25.*

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### MAJ. LEONARD H. POTTERBAUM, U.S. AIR FORCE

The Clerk called the bill (H.R. 9059) for the relief of Maj. Leonard H. Potterbaum, U.S. Air Force.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa? There was no objection.

#### STANLEY HAYMAN & CO., INC.

The Clerk called the bill (H.R. 1288) for the relief of Stanley Hayman & Co., Inc.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that this bill be passed over, without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### FREE IMPORTATION OF STAINED GLASS FOR ST. JOSEPH'S CATHE- DRAL, HARTFORD, CONN., AND FOR THE CHURCH OF ST. FRANCIS XAVIER OF PHOENIX, ARIZ.

The Clerk called the bill (H.R. 7431) to allow the importation free of duty of certain stained glass windows for use in Saint Joseph's Cathedral, Hartford, Conn.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BAILEY. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The SPEAKER. This completes the call of the Private Calendar.

#### ADDITIONAL ASSISTANT SEC- RETARY OF COMMERCE

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 425 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6360) to authorize an additional Assistant Secretary of Commerce. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and*

report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. TRIMBLE. Mr. Speaker, I yield 30 minutes to the gentleman from California [Mr. SMITH] and pending that, yield myself such time as I may consume.

Mr. Speaker, House Resolution 425 provides for the consideration of H.R. 6360, a bill to authorize an additional Assistant Secretary of Commerce. The resolution provides for an open rule with 1 hour of general debate.

The purpose of H.R. 6360 is to authorize the appointment of an additional Assistant Secretary of Commerce to serve as the principal adviser to the Secretary on scientific and technological matters of concern to the Department of Commerce. The bill was introduced at the request of the Secretary of Commerce, who cited the need for competent direction and administration of the various scientific and technical programs of the Department.

The proposed additional Secretary would be assigned administrative responsibilities with respect to the National Bureau of Standards, the Weather Bureau, the Coast and Geodetic Survey, and the Patent Office. In addition, he would be assigned definite staff responsibility in connection with the research and development activities carried on by the Bureau of Public Roads and the Maritime Administration.

Rapid advances in science and technology have placed additional responsibilities upon the Department of Commerce and it is felt that a specialist on these matters is sorely needed.

It is estimated that enactment of this legislation would result in the expenditure of approximately \$100,000 a year.

I hope the resolution is adopted in order that the House may work its will.

Mr. SMITH of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 425 does provide for 1 hour of general debate under an open rule for the consideration of H.R. 6360, which will authorize, if passed, an additional Assistant Secretary of Commerce.

This measure was heard last year in the Rules Committee on August 22, as I remember, and I believe the rule was voted out on either a 7 to 6 vote, or a 7 to 5 vote. It now is being programmed today.

Mr. Speaker, the report states that the appointment of this additional Assistant Secretary of Commerce is to serve as the principal adviser to the Secretary of Commerce on scientific and technological matters of concern to the Department of Commerce. Now, those are defined further in the report as being the National Bureau of Standards, the Weather Bureau, the Coast and Geodetic Survey, and the Patent Office. In other words, those four separate Bureaus under the Department of Commerce will be placed

under this additional Assistant Secretary of Commerce.

As I understand it, last year when the presentation was made before the Rules Committee there were authorized three Assistant Secretaries of Commerce.

I believe the salary at that time was \$20,000 per year. Only two of those positions had been filled and there was one vacancy. Even at that time this additional fourth Assistant Secretary was asked for. I have been informed today that of the three positions, one Assistant Secretary is now filled and there are two nominations pending before the Senate.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SMITH of California. I yield to the gentleman.

Mr. GROSS. I wonder if that is the reason why this bill has been gathering moss since last August; that is, we could not get the job filled last fall. And could that be one of the reasons why we have not been called upon to consider this bill until now?

Mr. SMITH of California. I am not the leadership and I do not schedule the program so I will say to the gentleman from Iowa that I am sorry I cannot answer that question.

The committee report states:

We do not anticipate that creation of the new position of Assistant Secretary of Commerce (for science and technology) will involve employment of a substantial number of persons to staff the new office. We have estimated that the total annual cost for the new Assistant Secretary (at the regular salary of \$20,000 per annum) and the necessary clerical help and professional assistants will approximate \$100,000 to \$115,000.

Mr. Speaker, I simply want to call the attention of the Members of the House to the fact that since January 20 of last year the Government has expanded and expanded; a Disarmament Agency, a Peace Corps, a new agency here or there, with an addition of perhaps 100,000 employees or more. All of that has occurred since January 20 of last year. Why this big expansion has had to take place in this short period of time is something of a mystery to me.

Last year we provided an additional Secretary of Labor, which position was created more or less for a specific individual, as I understand. We have had this bill pending since August 22 of last year. The question is whether we need this additional Assistant Secretary. Allegations are made and we hear by rumor or by hearsay—I am not on the Committee on Appropriations—that requests for additional employees are being made by department after department; requests for additional travel expenses, and the like, in very large amounts, at this particular time. We will probably have to increase the limit of the national debt within the next week or two. We are spending and spending and increasing appropriations and employing more people.

I should like to suggest that it is very questionable at this particular time that we need an additional Secretary of Commerce. I think we ought to slow up a

little bit and see where we are going in the matter of hiring additional employees and in the matter of the cost of operating this Government.

Perhaps we can get a little better showing so we will know more exactly what to do. We should know what this administration is planning in the matter of employment and cost of administration, without having to take up piecemeal an item for an additional Assistant Secretary, or an item for an additional new agency, as this bill provides.

Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, I want to renew my question as to why this bill has been lying around since last August. I understand a rule was granted last August and if I remember correctly the House was in session until about October 1 last year. If this new Secretary is so important, why has this legislation been left to dry on the vine for so long? Can anybody give me a little enlightenment on that subject—on either side of the aisle?

Mr. YOUNGER. I can answer that question, I think. There are three Assistant Secretaries authorized. Only one so far has been confirmed by the Senate. There are two nominations now pending before the Senate to fill the remaining positions of the three assistants that are now authorized. So they have been this long even selecting the ones to fill the authorized jobs.

Mr. GROSS. So the gentleman is saying that without this additional Secretary proposed here, there are two appointments pending over in the other body at this time; is that correct?

Mr. YOUNGER. That is correct.

Mr. GROSS. And the jobs have not been filled?

Mr. YOUNGER. That is correct.

Mr. GROSS. Despite the fact that apparently there was no immediate need for the two assistant secretaries. I am going to listen carefully when the gentleman from Arkansas [Mr. HARRIS] takes some time, as I hope he will a little later on, for a further explanation.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I am delighted to yield to the gentleman. Now we may get some information—further information, let me say.

Mr. HARRIS. The gentleman from Arkansas would be highly pleased to enlighten the gentleman in any way that he can.

First, let me say as chairman of the Committee on Interstate and Foreign Commerce, it is not my duty, responsibility or prerogative to schedule the program of the House. The gentleman from Iowa is as familiar with that fact as I am. In the second place, let me advise the gentleman that our committee reported the bill out of the committee during August—I think it was around the 10th of August, and we immediately applied for a rule. In due time in August, I was given a hearing by the Committee on Rules and then during the latter part



of August, or whenever it was, the Committee on Rules did grant a rule. The gentleman is familiar with the fact that Labor Day then came along and there were a few days off and efforts to get a good many bills up were not successful. This was one of them. So I would say to the gentleman from Iowa that the Committee on Interstate and Foreign Commerce has not been dilatory in its efforts to get this bill considered by the House of Representatives.

Mr. GROSS. This bill would have been even more difficult to justify last fall, would it not, when there were two or three vacancies for Secretaries? It would have been difficult to justify another one?

Mr. HARRIS. No; of course, it is going to be hard to enlighten the gentleman and anyone else who have their own minds made up on a matter of this kind.

Mr. GROSS. Well, you might be able to give me some enlightenment in the matter. I do not know that the gentleman would be able to convince me, but he might be able to give me some light on the matter.

Mr. HARRIS. I will try to give you some light on the matter, but I would not undertake to convince the gentleman, I can assure you of that. But, let me say to the gentleman, and to those who very likely are going to express reluctance about approving this proposal that this was not a proposal which was made to the Congress last year by this administration. A request was made previous to that time for an Assistant Secretary for this purpose. The committee has been giving study and thought trying to get information together during this time.

Mr. GROSS. What does the gentleman mean when he says previous to that time? Is the gentleman trying to say that some other administration wanted an Assistant Secretary of Commerce?

Mr. HARRIS. Yes, under the Eisenhower administration—it was started during the administration of Mr. Eisenhower and a request was made during his administration.

Mr. GROSS. I have no doubt about that. I think the first bill that was passed in the House in 1953, and I may be wrong about this, but certainly it was one of the first, was a bill to provide for another Assistant Secretary of State.

The SPEAKER. The time of the gentleman has expired.

Mr. GROSS. Mr. Speaker, will the gentleman yield me another 5 minutes?

Mr. SMITH of California. Mr. Speaker, I yield 5 additional minutes to the gentleman from Iowa [Mr. Gross].

Mr. HARRIS. Mr. Speaker, will the gentleman yield that I may shed a little light on one other question?

Mr. GROSS. No, I want to give the gentleman a little light now.

Mr. HARRIS. Very well; I will take time later.

Mr. GROSS. The first bill in 1953 was a bill to provide for an Assistant Secretary of State. This was the first year of the Eisenhower administration. I opposed it; I did not think it was neces-

sary; I thought it was piling up more expense on the taxpayers.

That Assistant Secretary, you may remember, was supposed to reorganize the Department and provide economy of operation. Do you know what happened? The new Assistant Secretary hardly got his chair warm when the State Department hired the firm of Heller Associates, a consultant firm, to do the job of reorganizing the State Department. The consulting firm was paid some \$200,000 to try to effect a reorganization, but accomplished little or nothing. The Assistant Secretary accomplished nothing, for the State Department bureaucracy has grown, and grown.

Mr. HARRIS. Since the gentleman has pointed his finger at me, will he not yield?

Mr. GROSS. I am clarifying this for the gentleman.

Mr. HARRIS. But the gentleman has mentioned my name here twice and said how I voted.

Mr. GROSS. I yield.

Mr. HARRIS. In the first place, he knows that neither I as chairman of the Committee on Interstate and Foreign Commerce or as a plain member would vote for the recommendation for an Assistant Secretary of State if I did not believe it was needed.

Mr. GROSS. I understand, but you are here now asking for a new Assistant Secretary, a further buildup of the bureaucracy.

Mr. HARRIS. The gentleman says I voted for it. I do not recall whether I did or not, but if I satisfied myself at that time that it was necessary I did; otherwise, I voted against it. I shall be glad to look up the record and see.

Now, will the gentlemen yield for one further bit of enlightenment?

Mr. GROSS. I yield.

Mr. HARRIS. Some question has been raised—and I hope all the Members of the House will give attention to the debate in order to be informed—about the situation in the Department of Commerce. Some question was raised about the two Assistant Secretaries that have not been filled, although they were authorized last year. I think it should be noted that these matters are provided by the Congress and are, specifically, the Assistant Secretary for Transportation. That was for a specific duty and responsibility, and, therefore the Assistant Secretary for Transportation could not be filled by a man who might be a capable and qualified scientist. The fact that those two positions have not been filled and have not been utilized on the basis that they were actually needed, to me is most commendable on the part of the Secretary of Commerce. It shows a commendable economy and good business administration on his part.

But in the case of the position we are considering today, they have a man to put into that position, a man qualified to fill it. I hope the gentleman is appreciative of the fact they have saved some money.

Mr. GROSS. I am delighted to hear that this administration is filling all its

jobs with men who are specially qualified for the jobs.

It is the first time in my experience in Washington when men are appointed on that basis and without any political considerations.

I am opposed to this bill to create another Assistant Secretary; to provide another member of the "Cadillac Brigade" in Washington.

Incidentally, I came across some interesting information yesterday. While driving down to work yesterday morning a big truck pulled alongside of me. On the door of the truck was painted "U.S. Treasury—Bureau of the Public Debt."

Add some more unnecessary Assistant Secretaries to the bloated bureaucracy that already exists in Washington and the streets will be full of trucks hauling the debris that represents the public debt.

Mr. TRIMBLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. HARRIS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6360) to authorize an additional Assistant Secretary of Commerce.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 6360, with Mr. SHELLEY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. HARRIS. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, by direction of the Committee on Interstate and Foreign Commerce I present to you today for your consideration and urge your support of this bill to provide for an Assistant Secretary of Commerce to become technical adviser in scientific and technical matters for that great and sprawling Department.

This is an administrative bill. It was requested by the Honorable Luther Hodges, Secretary of Commerce, and has the support of the Bureau of the Budget. I believe during the course of the hearings a good case was made for this position.

During this debate we will show that it will be in the interest of our country, in the interest of economy, and will provide greater efficiency in the Department of Commerce if this request is granted.

I should like to make it perfectly clear that I do not favor promiscuous approval of requests for such as this just to provide somebody with a job. This is not the only request we have had referred to our committee during the last few years for positions of this kind. We try to look at the requests conscientiously and carefully and when the committee

is convinced an additional position is necessary and in the interest of better government and better administration of the programs, in my opinion it is our duty to ask the House to approve.

The Secretary of Commerce, Mr. Hodges, is extremely anxious for this legislation in order that he may adequately carry out his responsibilities.

He made a personal visit to the committee and testified on this proposal to tell us why he needs this additional Assistant Secretary. We are all aware of the importance of the great advances made in science and technology in the last few years. Developments have been by leaps and bounds. Progress is staggering. We know that. Yes, they are very important to the future security of our country and our own national welfare, but they are also important to the business community. The business community needs someone in the Department of Commerce as a point of contact for information on scientific developments. Just remember that. An Assistant Secretary of Commerce with the knowledge and background of a man who will be appointed to the position can effect and will effect substantial savings in money and effort by coordinating scientific activities within the Department and making information available to businessmen, much of which has been developed with tax dollars at great expense.

Now, listen to me. We feel this legislation is necessary, therefore, in the interest of good government, and urge its adoption. It did not originate, I will say to my distinguished friend from Iowa, with this administration. And, I wish he would listen to me as I try to give him this information. I thank the gentleman.

Mr. GROSS. Mr. Chairman, if the gentleman will yield, I am sorry, I did not hear the gentleman.

Mr. HARRIS. I was just calling the gentleman's attention, in order that he may be advised about the origin of this program. I would be glad to convey that information because I think it would be helpful. It did not originate with this administration. It did not originate with the Eisenhower administration. This request originated with the National Academy of Sciences, which is the scientific organization in this country that is nonpolitical and has only one purpose, and that is the purpose for which it was established, to promote the development of science. The National Academy of Sciences in March 1960 recommended that within the Department of Commerce there be established an office of an Assistant Secretary of Commerce to coordinate scientific and technical responsibilities of the Department. Now, the Eisenhower administration reviewed that recommendation and came to the conclusion that it was a very good request and should be adopted. Therefore, during the latter days of that Congress in 1960 the Department of Commerce sent up a request for this purpose. The gentleman from Kansas was a member of the committee at that time.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I will be glad to yield.

Mr. AVERY. The gentleman from Arkansas knows that this gentleman from Kansas is generally greatly persuaded by the point of view of the gentleman in the well of the House.

Mr. HARRIS. And I have enjoyed a very pleasant association with the gentleman, and I am sorry he is no longer a member of the committee.

Mr. AVERY. The gentleman from Kansas views that situation with some regret, too, I may say. But, notwithstanding what happened in the past, I want to be helpful to the gentleman from Arkansas. As I understood his statement to the House a few moments ago there is at this time—and the testimony before the Committee on Rules, I think, emphasized this point last spring—there is at this time pending an authorization for an Assistant Secretaryship of Commerce that is not filled at the present time and it is not contemplated that that position will be filled; is that not correct?

Mr. HARRIS. I was going to get to that as soon as I lead up to that point. I will say that when I was before the Rules Committee, the gentleman is correct. As I explained to them, there was a position for an Assistant Secretary for Administration that was not filled.

Mr. Chairman, the Secretary or the President cannot nominate a scientist for that position. These Assistant Secretaries are authorized by the Congress for a specific work. Consequently, they could not be utilized for this purpose.

Mr. AVERY. I think the gentleman is entirely correct. In a further effort to be helpful to him, would the gentleman consider accepting an amendment abolishing that position which is not going to be used, and for which no appointment has been made, and then establishing this one in lieu thereof?

Mr. HARRIS. I could not commit myself to accept an amendment at this time, because I would not know just how that would affect the organizational setup down in the Department. I certainly would entertain a review and consideration of any of the Assistant Secretaries in this or any other agency that comes before our committee.

Mr. AVERY. Mr. Chairman, I do not like to prolong this, but if there were such a proposal entertained by the Interstate and Foreign Commerce Committee, it seems very obvious to me if there is a position that is not being filled, why not abolish it? In that way I think we would overcome a lot of objection to this legislation.

Mr. HARRIS. I think I suggested that during the course of the consideration of this bill last year, and there was some comment about what it might do to the organization and the committee did not go along with it. I understand the position has since been filled.

The gentleman from California, I believe, said a moment ago that there is pending over in the Senate now two appointments for positions down there. I am not familiar with that. So I just do not know what the situation is, and I

would not want to commit myself unless I did know.

Mr. AVERY. I thank the gentleman for yielding.

Mr. HARRIS. I certainly will be glad to consider it, but I would not want to do it in connection with this legislation, because I am not familiar with what the facts are in relation thereto. Nevertheless, the National Academy of Sciences has recommended it, the Eisenhower administration submitted it and requested it, and in the last Congress it was resubmitted by the present Secretary of Commerce.

Mr. Chairman, I do not think there are many people in this country who have any question as to the capability of Secretary Hodges, as to the business ability of Secretary Hodges, and how he feels about matters of business and the national economy. I think if there is any one person from the business community in this administration, it is the Secretary of Commerce.

Mr. Chairman, the committee held hearings on this proposal. We had some reluctance about it, I will say to the gentleman. After the first hearings we called representatives of the Department back for more detailed information to make sure that this was a position that ought to be approved by the House. We made a complete record on it, and I would refer the Members of the House to the hearings and report and ask their indulgence to read what is stated there regarding the need for the legislation, and the need for coordination. Also read the letter of the Secretary in which he supports and urges this proposal. I believe the Members of the House will be constrained that it will be in the interest of our country.

We know that if the Secretary needs to send a man with the ability and with the status of the man who will hold this position to talk to people who are his equal in other positions of Government and industry if the job is to be done. We know that. We know that if this man goes down to talk to the people in NASA, which he must do in order to coordinate his work with them, so far as that work affects Commerce, he has to have status equal to those with whom he talks. The same is true as to other agencies of the Government such as the Department of Defense.

Mr. Chairman, let me take just a minute to review what those duties are. This year in the budget there are funds—and this is purely for research and development that is charged to the Secretary of Commerce—in the Patent Office, \$580,000; Coast and Geodetic Survey, \$839,377; Bureau of Census, \$1,107,000; National Bureau of Standards, \$24,500,000; Maritime Administration, \$9,013,000; Bureau of Public Roads, \$4,063,000; Weather Bureau, \$9 million. That is a grand total of \$70,670,377 in the budget for the Department. You cannot expect one man in his position to take the time to follow through on each of these items. What we are asking here is an opportunity to coordinate this work under one head, so that the Secretary can have his finger on what is going on.



Mr. Chairman, let me say this one other thing to my colleagues in the House. There are many ways in which we have experienced great waste in Government. There is no one who deplores waste in Government more than I do. We should all be vigilant in this field. But let me say to you that there are billions of dollars being appropriated every year to the Atomic Energy Commission, to NASA, to the Department of Commerce through the Bureau of Standards, and other scientific research and development programs; and there is no program anywhere in Government subjected to waste and duplication more than in these fields.

In my judgment we would be doing a great service in the interest of economy in this Government if we approve this bill.

Mr. Chairman, the following letter from Secretary Hodges gives much information of interest in connection with this problem:

THE SECRETARY OF COMMERCE,  
Washington, D.C., February 1, 1962.

HON. OREN D. HARRIS,  
House of Representatives,  
Washington, D.C.

DEAR MR. HARRIS: In connection with legislation pending in the Congress which would authorize an additional Assistant Secretary of Commerce, I feel that it would be worth while to furnish you a brief picture of the research and development effort of the Department of Commerce as it would be directed by this new Assistant Secretary.

Following is a listing of the 1962 fiscal year research and development budgets of the Bureaus of the Department engaged in this field. The amounts shown do not reflect expenditures in R. & D. plant which, for the new facilities of the National Bureau of Standards alone, will amount to approximately \$100 million by 1963.

	R. & D. appropriation	R. & D. reimburse- ments
Patent Office.....	\$580,000	-----
Coast and Geodetic Survey.....	839,377	-----
Bureau of the Census.....	1,107,000	\$150,000
National Bureau of Standards.....	24,500,000	15,875,000
Maritime Administration.....	9,013,000	5,174,000
Bureau of Public Roads.....	4,063,000	-----
Weather Bureau.....	9,000,000	369,000
Total.....	49,102,377	21,568,000
Grand total.....	70,670,377	-----

The basic research done by the National Bureau of Standards and the Weather Bureau contributes substantially to the work of the Atomic Energy Commission, National Aeronautics and Space Agency, and the Department of Defense. Our scientific output is largely basic and fundamental. It provides foundations on which the scientific programs of these other agencies are based.

You will be interested to know, however, that, aside from the Department of Defense, the Department is perhaps the largest employer of scientists and engineers in the physical sciences in the Federal establishment.

At the present time, the management of the Department is in the hands of one Under Secretary for Transportation and three Assistant Secretaries for Domestic Affairs, Foreign Affairs, and Administration and Public Affairs. Among these four men plus, of course, myself and the Under Secretary, we distribute the management and guidance of an organization of 33,000, and 20 major bureaus and offices including our 4 bureaus that we could hope to be supervised by the

new Assistant Secretary (the Patent Office, Coast and Geodetic Survey, National Bureau of Standards, and the Weather Bureau). At the moment, the Coast and Geodetic Survey and the Weather Bureau report to the Under Secretary for Transportation. The National Bureau of Standards and the Patent Office report to the Assistant Secretary for Domestic Affairs.

Please do not hesitate to call upon me for any other information you may require concerning this matter.

Sincerely yours,

LUTHER H. HODGES.

Mr. YOUNGER. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, this measure was reported out of our committee by a divided sentiment. Personally I can see no need for this additional Secretary. I want to disagree with some of the arguments of our fine chairman [Mr. HARRIS], when he says we must have a scientist as a coordinator. If that argument were followed through every university president in the United States would have to be a scientist in order to supervise and coordinate the scientific departments within that university. I say that some of the best college presidents we have in this country are not scientists. Now let me analyze this for just a minute.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. YOUNGER. I yield to the gentleman from Arkansas.

Mr. HARRIS. Can the gentleman point out to me one major university in this country that does not have a head directing the scientific work of that university?

Mr. YOUNGER. Yes, I can point to my own university, and the head is not a scientist.

Mr. HARRIS. I am talking about the president.

Mr. YOUNGER. That is his job.

Mr. HARRIS. No, I am talking of every president having someone in the university who heads the scientific program of that university.

Mr. YOUNGER. Now you are admitting, Mr. Chairman, exactly the point I am trying to make. You are admitting that the Weather Bureau does not have a scientist in charge of it and that the Coast Guard and the Geodetic Survey does not have a competent scientist in charge of it, nor does the Bureau of Standards. This is exactly the same point we have in a university where you have a department of chemistry or a department of physics or a department of engineering or a department of electric engineering and so on down the line. If we have competent scientists in charge of these various bureaus and posts, then what you need is a coordinator within the Department of Commerce.

Mr. MACK. Mr. Chairman, will the gentleman yield?

Mr. YOUNGER. If my colleague will wait for a just a moment.

Mr. MACK. I think the gentleman is quite confused.

Mr. YOUNGER. No, I am not confused at all, may I say to my colleague. We have in the Department of Commerce an Under Secretary of Commerce. That job has been filled and has been confirmed. We have one assistant for

transportation. That one assistant has been confirmed. I do not know whether he is for transportation or not. We have one assistant for administration. The Assistant Secretary for Administration should be charged with the responsibility of coordinating the work within the Department, and it is not necessary for that man to be a scientist to be assigned to that duty. We have one other Assistant Secretary whose duties are not delineated by legislation according to the information I have. All three of these positions are either filled and confirmed or two of them are before the other body now and ready for confirmation. There are no new bureaus added to the Department of Commerce. There are no new officers added to the Department of Commerce. So I can see no necessity at all for another Assistant Secretary. Let me say this. Last year the Department of Commerce said that if they could only reorganize their Maritime Administration, they would be fixed. That Commission was formed and the Maritime Commission was instituted by legislation. So they ought to be well officered now by competent individuals in that field. So far as coordination is concerned, I say that good administration would hold that this Assistant Secretary for Administration, if he is a competent administrator, ought to be able to coordinate the departments within the Department of Commerce and coordinate their work with all of the other scientific departments within the Government.

As to the cost. Nobody knows what the cost of this will be. We have had this same experience right along and added and added and added to this great payroll. I remember when I came to this body in 1953, we had a Government payroll of some 2½ million and some odd thousand employees. Gradually that was whittled down until February of 1961 when it was down to 2,255,000 employees or almost a quarter of a million employees—less than 8 years previous. Already within 1 year we have added over 88,000 additional employees. How many more will be added nobody knows? Personally, I can see no necessity for this additional Assistant Secretary at this time.

Mr. Chairman, I reserve the balance of my time.

Mr. YOUNGER. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. CEDERBERG].

Mr. CEDERBERG. Mr. Chairman, I rise in opposition to the requested creation of a new Assistant Secretary for Commerce and Technology. Basically the reason I believe it to be unnecessary is that I serve on the Subcommittee on Appropriations for the Department of Commerce and am aware of what is happening. We are presently holding hearings in this field. I have to disagree with my distinguished friend from Arkansas in this matter because I believe, looking at the Department of Commerce and what is happening not only in this agency but also in many other agencies of the Government, we are headed for a bureaucracy in this country the likes of which we have never known.

Last year the Department of Commerce asked for 1,463 new employees;

this year the request is for 2,229 new employees. To put it in just a little better perspective, the total number of permanent positions for 1962 was 22,461; in other words, the Department of Commerce is requesting an increase, in this 1 year alone, of almost 10 percent of its total employees.

Now, to refer to the request and the need for a new Assistant Secretary, we have today, as was stated by the gentleman from California, distinguished scientists heading all these agencies; and if I heard the remarks of the gentleman from Arkansas correctly, the real reason for this Assistant Secretary is to coordinate the activities of these departments so they can funnel it all together. In reading the appropriation hearings you will note that we have many coordinating committees at the present time. Take the Weather Bureau, for instance: The Weather Bureau is cooperating completely with the National Aeronautics and Space Administration in the satellite program in the matter of weather; we are doing this with the National Bureau of Standards. The only reason the National Bureau of Standards exists right here is to provide contacts between agencies of the Government. To put a superstructure on this and say that the head of the National Bureau of Standards, when he wants to talk to the Defense Department, has got to go through an Assistant Secretary of Commerce is totally unnecessary. Such things as this will cost a lot more money.

Mr. MACK. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield.

Mr. MACK. I am very happy the gentleman mentioned the Weather Bureau, because that brings up one problem confronting us concerning this appointment of a person who can coordinate the activities of these various agencies. I am wondering if the gentleman recognizes that we have one of the greatest weather bureaus in the Department of Commerce to be found anywhere in the world?

Mr. CEDERBERG. I think there is no question about that.

Mr. MACK. I am sure also the gentleman recognizes that the Defense Department is today spending as much money for weather information as is the Department of Commerce.

Mr. CEDERBERG. I think that may be correct.

Mr. MACK. Now you are talking about coordinating; certainly, we can coordinate activities within the Weather Bureau; certainly the Defense Department or the Department of the Army can coordinate its activities in the matter of weather. But we have a tremendous duplication of effort even in this very simple problem of dealing with the weather. Does the gentleman realize that we have five separate weather bureaus operating within 25 miles of this Capital?

The gentleman has gotten to the base of the problem here and that is that we need to eliminate some of this duplication not only in the Weather Bureau but also in all agencies of the Government.

Mr. CEDERBERG. The gentleman realizes that the gentleman from Illi-

nois stated the point very well, as a matter of fact, the reading of the Appropriations Committee hearings will bring out this very subject. I think the gentleman from Washington [Mr. HORAN] brought it up in the hearings last year. We are very much concerned about this on the committee. The gentleman from Pennsylvania [Mr. FLOOD] is a member of the Defense Appropriations Subcommittee, and was a member of the Commerce Subcommittee, and he recognized that there were certain things in the weather field you could not possibly take away from the Air Force, and the same thing in other services. Just putting on another Assistant Secretary is not going to do the job; they are coordinating right now.

Mr. YOUNGER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Iowa.

Mr. GROSS. Could we not get rid of this overlapping and duplication before we add more fat to the top of the list?

Mr. CEDERBERG. May I say to the gentleman, it would be absolutely unnecessary to have this Assistant Secretary try to coordinate these various offices. They are requesting 345 new people in the Weather Bureau this year. The Bureau of Standards is requesting 290, the Patent Office wants 100 more, the Bureau of the Census 319, Coast and Geodetic Survey 199. When you add them all up you have 2,229 new employees.

Of course, as far as I am concerned, as one member of the committee, they are not going to get these new employees with my vote. I think they would be thankful if they got half of them. If you can bat .500 in a baseball game you are a star. You are adding a superstructure whereby you are going to have these assistants coordinate. I think there are coordinating committees to do this between all of these agencies and I can see no value to come out of this.

Mr. GROSS. A letter from the Secretary of Commerce says this new coordinator is not going to have anything to do with coordinating the Bureau of Public Roads and the Maritime Agency. He has read them out. He is not going to coordinate those two agencies at all.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. YOUNGER. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. BOW].

Mr. BOW. Mr. Chairman, I take this time to oppose the gentleman from Arkansas in the establishment of this new position. The gentleman from Michigan [Mr. CEDERBERG] has eloquently described what is going on in the Committee on Appropriations at the present time. We have this bill before us today. Unfortunately we are in executive session in the Committee on Appropriations and there is much that will come out in the hearings when you see the record that will amaze the members of this committee.

To establish one more Assistant Secretary in the Department of Commerce, it seems to me, is inviting an increase in

the appropriation rather than a decrease. They can coordinate very easily through the Assistant Secretary for Domestic Affairs. There is also an Under Secretary to whom this Assistant Secretary for Domestic Affairs can report. Now they are building up a new title of an Assistant Secretary for Scientific Affairs. It is going to be an entirely new office.

We will have to rebuild that Commerce Department before long. We are going to have a new building, if we do not look out, because, as the gentleman from Michigan [Mr. CEDERBERG] said, they are asking for an increase of around 2,200 this year.

Let me give you just one example. In 1960 the appropriation for one department was \$6 million-plus. The estimate today for that same department is \$13 million, an increase since 1960. I have never seen an agency or establishment of Government grow in the last few years the way the Department of Commerce has.

It seems to me, Mr. Chairman, that the time has come when we better put a stop to this and start to look and listen and see whether we need these new Assistant Secretaries who can go in and build up new agencies under the office and find additional responsibilities to get new employees for. The only way we are ever going to give business a break is to find some way to give some type of tax reduction, and the only way we are ever going to reduce taxes is to reduce the cost of Government. We can reduce the cost of Government by putting up the stop sign to these increases in the various agencies. I think we ought to vote this bill down and take a good, hard look at it. I do not care whether it came through the Truman administration, the Eisenhower administration, or the Kennedy administration. We do not need a new Assistant Secretary of Commerce.

Mr. HARRIS. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. MACK].

Mr. MACK. Mr. Chairman, this bill authorizes the appointment of an additional Secretary of Commerce, who would serve as principal adviser to the Secretary of Commerce on scientific and technological affairs. A similar bill has passed the Senate.

This proposal did not originate with this administration. A committee of the National Academy of Sciences recommended in 1960 that this new position be created. The Department of Commerce has a number of important scientific activities in the National Bureau of Standards, the Weather Bureau, the Patent Office, the Coast and Geodetic Survey, the Bureau of Roads, and the Maritime Administration, but the Secretary has no one to look to for help in coordinating the activities of these agencies.

In addition, private business needs a competent person with a scientific background to assist industry to get the results of various research activities financed by tax funds, especially through the Department of Defense.

The subcommittee was assured by Secretary Hodges that this position



would be filled with a person with professional competence in science and technology with administrative experience.

The Secretary urged that the position be established to permit more effective and efficient administration of certain important functions now carried on in the departments; also to provide better representation in dealing with other departments on scientific and technical matters and promoting governmentwide coordination of scientific and technical efforts.

H.R. 6360 was introduced by the chairman of the committee, the gentleman from Arkansas [Mr. HARRIS], at the request of the Secretary of Commerce.

The Subcommittee on Commerce and Finance held two hearings on this bill and went into the need for this new position very carefully.

Witnesses testified that the proposed additional Secretary would be assigned administrative responsibilities with respect to the National Bureau of Standards, the Weather Bureau, the Coast and Geodetic Survey, and the Patent Office. In addition, the new Assistant Secretary would be assigned definite staff responsibility in connection with the research and development activities carried on by the Bureau of Public Roads and the Maritime Administration.

The National Bureau of Standards R. & D. appropriation for 1962 was \$24.5 million. The Weather Bureau received an appropriation of \$56 million for operations and \$9 million for research in the same year. In addition, \$48 million was appropriated for the new satellite program. The Patent Office appropriation for 1962 was almost \$25 million of which \$580,000 was for research. The 1962 appropriation for operations in the Coast and Geodetic Survey was almost \$19 million of which about \$850,000 was for research. For fiscal 1962, the Department of Commerce received appropriations of \$304,302,000 for maritime activities. The total budget for that year for research and development was slightly in excess of \$9 million. The Bureau of Public Roads, which administers the Federal-aid highway program, in 1962 had a budget for administrative expenses of more than \$33 million, of which approximately \$4 million was for research and development.

Rapid advances in science and technology place additional responsibilities upon the Department of Commerce. An example is the weather satellite program, which will be operated by the Department of Commerce.

The committee is aware of the vast duplication of effort in research activities in and out of Government.

Proper and effective coordination of research activities should result in important savings, not only within the Department of Commerce, but in other agencies. Savings to industry also are possible by making available to the fullest extent possible, consistent with national security, the results of research financed by various governmental agencies with tax dollars.

The committee agrees with the Secretary regarding the need for an Assistant

Secretary of Commerce for Science and Technology. An Assistant Secretary with professional competence in science and technology, and with administrative experience, is needed to assist the Secretary in coordinating scientific activities of the Department, and also to serve as a point of contact with industry in the dissemination of information on science and technology. This would result in significant savings both to Government and to industry.

Under the present organization of the Department of Commerce, the Secretary has an Under Secretary. There also is an Under Secretary for Transportation. There are three Assistant Secretaries, one for Domestic Affairs, one for International Affairs and one for Administrative Affairs. At the time of the subcommittee hearing the position of Assistant Secretary for Administrative Affairs had not been filled. Since then, however, Mr. William Ruder was named Assistant Secretary for Administration and this nomination is now pending in the Senate.

Mr. Chairman, my subcommittee had the responsibility of holding hearings on the proposal which was recommended by the Secretary of Commerce and which was sent to the Congress. But, we entered into the hearings with many reservations. As a matter of fact, as the chairman indicated, we reopened the hearings to secure additional information to justify an additional Assistant Secretary. Early last year the other body passed a bill which came over to our subcommittee which would have provided for an additional Assistant Secretary. It would have established the Office of International Travel under an Assistant Secretary of Commerce. Our committee considered that proposal and eliminated the provision to establish an Assistant Secretary within the Department of Commerce.

So, as my chairman has so ably stated this afternoon, none of us has any desire to increase the number within the Department of Commerce and none of us has any desire to increase the number of Assistant Secretaries in any department of government. I do believe, however, that an excellent case has been made for the establishment of an Assistant Secretary of Commerce for Scientific and Technological Affairs. I believe that the Government would actually be saving money if we were to enact this legislation. I know that several members of the Committee on Appropriations here today talked about the number of individuals within these departments. Well, I say to them that it is their responsibility and our responsibility as Members of Congress to eliminate the additional numbers through appropriations if we have too many employees working there. I do think and I feel very strongly that we need the proper organization within our governmental agencies.

Mention has been made here today that this is a brandnew proposal of President Kennedy's. I have before me an excerpt from the President's Science Advisory Committee report of October 17, 1960, "Government Research and

Development." In this statement it includes the following:

The Hoover Commission Subcommittee on Research Activities in the Department of Defense recommended in 1955 that there be an Assistant Secretary for Research and Development in each service department.

Now, if the Hoover Commission recommended it in 1955, if the President's Science Advisory Committee recommended a similar approach in 1958, and if the National Academy of Sciences recommended it in 1960, it seems to me that there is some justification for the establishment of an additional Assistant Secretary for Science and Technology.

Mr. Chairman, I notice that the Members who have expressed opinions concerning the present assistant secretaryship have inferred that the Department has never been able to fill two of its positions. That simply is not true. I asked one Member to yield to me for the purpose of correcting him when he made that statement. As a matter of fact, we do have two acting Assistant Secretaries at the present time. We might refer to those positions as being vacant, but they are active. It is true that one of them was vacant at the time we held our hearings on this legislation last year, but the other one was filled at the time. It was filled, and it has been confirmed. The Assistant Secretary for International Affairs since that time has resigned, and in his place Mr. Jack Behrman has been recommended, and he is awaiting confirmation by the other body. So we are utilizing all of our positions of Assistant Secretaries, all three of them, at the present time.

Mr. Chairman, the other question which was raised last summer involved the appointment of an Assistant Secretary for Administration. I do not know what the other members of our committee thought about it at the time, but I think the Secretary of Commerce is to be commended for not filling that position because the man that he was using to provide that service at that time as an assistant was going to leave the Government within 6 months. Therefore the Secretary did not go through the routine of submitting his name to the Senate and having him confirmed, knowing that he was going to resign at that time.

Mr. Chairman, I have no apology to make to anyone concerning the present structure of the Department of Commerce. I think the three Assistant Secretaries which the Department of Commerce now has are all justified. There is no question in my mind but what an additional Assistant Secretary for Science and Technology can very easily be justified.

Mr. Chariman, my good friend from Michigan [Mr. CEDERBERG] mentioned the Weather Bureau. That is only one case of duplication. Every agency of the Government is trying to perform the complete service. At one time we did have four or five separate Weather Bureaus right here in the Washington area. One or two of them have been closed now, but just a few years ago—just 1 year ago—we had the biggest Weather Bureau in the world here in Washington, D.C., under the Department of Com-

merce. We had a Weather Bureau out here at the Anacostia Naval Air Station. We had another one at Bolling Field. We had another one at Andrews Field. Incidentally, for a long period of time they operated two of them—one on each side of the Anacostia Naval Air Station.

Mr. Chairman, we have tremendous duplication of activity, especially in the technological areas. I feel that it is vitally important today that we have an Assistant Secretary or that we do have an additional employee to attempt to coordinate these activities with other agencies of the Government. I think the machinery has been established for that purpose. The appointment of an Assistant Secretary of Commerce would provide the appropriate official to work with this coordinating agency.

Mr. Chairman, I have in my hand a publication just recently put out by the Interagency Committee on Oceanography of the Federal Council on Science and Technology, which is the Council that is attempting to coordinate these activities. Oceanography? Who has the responsibility for oceanography? I thought it was the Navy. But I find out later it is the Coast and Geodetic Survey. Later I found out that the Coast Guard had great activities in this area. Later I found out that even the Army and the Air Force were involved in it as well as the Navy.

Mr. Chairman, I think it is high time that we tried to eliminate some of the duplication of services even though they are in the research and development field. We hesitate to cut down appropriations for research and development, and we are criticized when we do. However, I believe that we ought to get the most for our money, and we ought to eliminate duplications of any kind.

The appointment of an additional Assistant Secretary of Commerce will make this possible. I am proud to support the bill before us today which would provide for an additional Assistant Secretary of Commerce for Science and Technology.

Mr. YOUNGER. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. Gross].

Mr. GROSS. Mr. Chairman, I would like somebody to tell me where and when the creation of a new Assistant Secretary, Deputy Secretary, or any other kind of secretary, within the meaning of the bill before us, has resulted in any economy in government. Will somebody please tell me where and when that has happened?

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I am happy to yield to the gentleman.

Mr. HARRIS. I know the gentleman has been on the floor listening attentively to the debate this afternoon. Let me explain this again. As we have said, there are many duplicating activities within the Department involved here. The gentleman could not expect one man—and he knows Mr. Hodges is a businessman—

Mr. GROSS. Just a minute; the gentleman spoke of Mr. Hodges.

Mr. HARRIS. Yes.

Mr. GROSS. Mr. Hodges is an estimable gentleman I am sure. But let

me say to the gentleman that I think Mr. Hodges would be doing a better service to the Department of Commerce and the taxpayers of this country if he would take care of the business of the Department of Commerce instead of trying to propagandize the people of this country into the oblivion of free trade. I wish he would take care of the business of his Department instead of trying to promote free trade, all over the United States.

Mr. HARRIS. I know Mr. Hodges will be glad to have the gentleman's views on that, too. It is known that unless we can do something about the duplication of these various efforts, with the tremendous cost involved, the millions and millions of dollars in the Weather Bureau, which was mentioned a moment ago, and in the other agencies and bureaus that come under the Department of Commerce—the gentleman knows you have got to have somebody who sits on it all the time if you are going to save money. But if you let them go without somebody being able to give it time and attention you will continue to have waste and duplication.

Mr. BERRY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I am glad to yield to the gentleman.

Mr. BERRY. I do not know whether the gentleman listened to the broadcast of the news over WTOP last night, the CBS news. Following the news there was a broadcast called the "Big E for Exports," telling about how many people would be employed if we only lowered our tariffs and created more exports by lowering our tariffs. And then they said that anyone who was interested in getting more propaganda on exports could do so by writing to the Department of Commerce, Post Office Box such-and-such. I thought that the broadcast was probably sponsored by the Department of Commerce. I find that WTOP did it as a public service. But somebody is writing these radio speeches, somebody is writing these acts. Maybe they do not pay the broadcast company directly, but certainly a great deal of the taxpayers' money is going into that. I wonder if the gentleman would be as much opposed to the taxpayers' money going for this purpose in the Department of Commerce as any other.

Mr. GROSS. That is the point I tried to make a moment ago.

Mr. BERRY. I was just wondering, under the circumstances, if it is the policy of the Department of Commerce to continue this, would it not be wise, and does not the gentleman believe it would be wise, to have an Assistant Secretary of Commerce for Exports?

Mr. GROSS. I do not know about that. I do know that officials of the Department of Commerce are campaigning in behalf of free trade, and I say that they ought to attend to the business of the Department. I wondered a little while ago where the demand for a new Assistant Secretary originated. Then I heard the gentleman from Arkansas [Mr. HARRIS], say that some society promoted this bill. I wonder if the "Society of the Sons and Daughters of I Will

Arise" comes in and wants an Assistant Secretary if we will be asked to jump through the hoop and provide one. Is that the way the payroll is to be loaded—because some society wants some "pooh-bah" elevated to a top job? From what source is the money to come to pay for these Cadillac-equipped new Secretaries?

Mr. HARRIS. Mr. Chairman, I yield 5 minutes to the gentleman from South Carolina [Mr. HEMPHILL].

Mr. HEMPHILL. Mr. Chairman, a thought occurs to me—we have not faced up to one of the real issues here. The Department of Commerce, as conceived and as administered under the present Secretary, is the businessman's department of the executive branch of Government. To show you what has been done and what can be done, if you would go down there and see how the present Secretary has made it possible for the businessmen of this Nation to get information and to get it quickly and to get statistics and to get other material that they need, you would recognize the progress that has been made. For my part, in the 4 previous years to Mr. Hodges, the Department of Commerce exhibited a dormancy which the businessmen of this Nation suffered from.

Now, we have a Department of Commerce which is saying to the business people—you have a place to come for information and for assistance.

The Secretary of Commerce has done a great job.

Mr. YOUNGER. Mr. Chairman, will the gentleman yield?

Mr. HEMPHILL. I am happy to yield to my colleague.

Mr. YOUNGER. How do you reconcile that with the abolishment of the businessman's advisory council?

Mr. HEMPHILL. I think that was an act of administrative judgment. If you will go down to the Department of Commerce and see what they have established, you would come to a different conclusion about it. The advisory council was not producing; but the Department of Commerce of today is producing through the Business Information Office that they have established there, and they are doing a good job. I might say to the gentleman, in this particular field of science and technology, so far as I can see, the business community of this Nation—with the exception of those in manufacturing and producing establishments in this particular field of science and technology—does not know where to go or where to turn or how to use the free enterprise system or procure the profits that would naturally come from the use of our new discoveries in science in peaceful times for peaceful commercial purposes.

Here we are having opposition to one Assistant Secretary, the expenses of which are a mere \$100,000 when we would give to any backward nation \$100 million or \$50 million and here we are hearing opposition to the efforts of this great Secretary of Commerce. Now he has been put in this position: He is a member of the President's Cabinet, and as I said once to one of the Cabinet members of Mr. Eisenhower in another day, "The fact that you were picked by the



President of the United States to do the job you did causes me to have great respect for your ability, and while I might oppose you in some things, I respect your judgment in the administration of your Department."

Here is a man who has the responsibility of running this Department—the responsibility to the businessmen in the State of California, Iowa and other States—and you say to him, "We are not going to help you shoulder that responsibility in this one particular area where it does not cost very much money." You are saying, "We are going to nit-pick at you and say that you should not have this Assistant Secretary when you say it is necessary for the good of the Nation."

What are we trying to do? We are trying to substitute political judgment for the judgment of a successful businessman who has the interest of the business people of the country at heart. The reason for this legislation is the ambition of this Secretary and his determination, I am sure, to do something for the business people in this field of science and technology. When you talk about coordinating science and technology let me remind you that the average person in this Congress or the average man in business knows very little about science and technology. The budget of the average business man in America cannot afford a scientist or technologist; therefore, here is an opportunity for the businessman to get the service, to get coordination, to get the information, to get the advice. This bill provides the vehicle.

I favor this legislation and I hope it will pass.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. DADDARIO. Mr. Chairman, I want to commend to the House the proposal to authorize an additional Assistant Secretary of Commerce. The Secretary of Commerce has indicated that he will be assigned to coordinate scientific activities within the Department of Commerce. I agree thoroughly with the belief that this position will enable the Department to administer its responsibilities efficiently and will encourage more effective Government-wide coordination as a result of better organization and staffing for scientific and technical responsibilities.

It is, of course, no secret that the importance of research and attention to science is a major factor in the national growth. Most businesses now have designated a vice president for research and development or at least a high responsible executive to be aware of trends affecting the future of commerce. The National Science Foundation pointed out just last year that employment of scientists and engineers in industry increased by approximately 6 percent between January 1959 and January 1960. This rate of growth is greater than that for total industrial employment. The rise in scientific and engineering employment was greater in research and development than in other activities.

As a member of the House Committee on Science and Astronautics, I have been deeply aware of the continuing discussion over the proper organization of science activities within the Federal Government. Certainly there is strong need for active policy coordination throughout the various agencies. The suggestion of a Department of Science and Technology and the arguments against it must, I think, be subjected to continuing study and an appraisal of the experience of existing organizations.

However, there can be no argument against the need to provide in every instance where scientific and technological change will affect the functions of Government an office of sufficient power and authority to make use of science for better Government and public service.

I believe the proposal for an additional Assistant Secretary meets this need. I am happy to see that it has received general approval, including the warm endorsement of the late chairman of our committee, the Honorable Overton Brooks, of Louisiana. I urge the House to support this bill.

The CHAIRMAN. Are there further requests for time? If not, the Clerk will read.

The Clerk read as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there shall be in the Department of Commerce, in addition to the Assistant Secretaries now provided by law, one additional Assistant Secretary of Commerce who shall be appointed by the President by and with the advice and consent of the Senate, shall receive compensation at the rate prescribed by law for Assistant Secretaries of Commerce, and shall perform such duties as the Secretary of Commerce shall prescribe.*

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SHELLEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H.R. 6360, to authorize an additional Assistant Secretary of Commerce, pursuant to House Resolution 425, he reported the same back to the House without amendment.

The SPEAKER. Under the rule, the previous question is ordered.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken, and the Chair announced that the ayes appeared to have it.

Mr. YOUNGER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 231, nays 169, not voting 34, as follows:

[Roll No. 12]

YEAS—231

Addabbo	Gray	Norrell
Addonizio	Green, Oreg.	O'Brien, Ill.
Albert	Green, Pa.	O'Brien, N.Y.
Alexander	Griffiths	O'Hara, Ill.
Alford	Hagan, Ga.	O'Hara, Mich.
Andrews	Hagen, Calif.	Olsen
Anfuso	Haley	O'Neill
Ashley	Hansen	Patman
Aspinall	Harding	Perkins
Bailey	Hardy	Pfost
Baring	Harris	Philbin
Barrett	Harrison, Va.	Pike
Bass, Tenn.	Hays	Poage
Beckworth	Healey	Powell
Bennett, Fla.	Hébert	Price
Blatnik	Hechler	Pucinski
Blitch	Hemphill	Purcell
Boggs	Henderson	Randall
Boland	Herlong	Reuss
Bolling	Hollifield	Rhodes, Pa.
Bonner	Holland	Rivers, Alaska
Boykin	Hull	Rivers, S.C.
Brademas	Ichord, Mo.	Roberts, Ala.
Breeding	Inouye	Roberts, Tex.
Brooks	Jennings	Rodino
Burke, Ky.	Joelson	Rogers, Colo.
Burke, Mass.	Johnson, Calif.	Rogers, Fla.
Burleson	Johnson, Md.	Rogers, Tex.
Byrne, Pa.	Johnson, Wis.	Rooney
Cannon	Jones, Ala.	Roosevelt
Carey	Karsten	Rostenkowski
Casey	Karth	Roush
Celler	Kastenmeier	Rutherford
Chelf	Kelly	Ryan
Clark	Keogh	St. Germain
Coad	Kilgore	Santangelo
Cohelan	King, Calif.	Saund
Colmer	King, Utah	Scott
Cook	Kirwan	Seiden
Cooley	Kitchin	Shelley
Corman	Kluczynski	Shibley
Daniels	Kornegay	Sisk
Davis,	Kowalski	Slack
James C.	Lane	Smith, Iowa
Davis, John W.	Lankford	Smith, Miss.
Dawson	Lennon	Smith, Va.
Delaney	Lesinski	Spence
Dent	Libonati	Staggers
Denton	Loser	Steed
Diggs	McDowell	Stephens
Dingell	McFall	Stratton
Donohue	McMillan	Stubblefield
Dorn	McSweeney	Sullivan
Downing	Macdonald	Taylor
Doyle	Mack	Thomas
Dulski	Madden	Thompson, La.
Edmondson	Magnuson	Thompson, N.J.
Elliott	Mahon	Thompson, Tex.
Everett	Marshall	Thornberry
Eyins	Matthews	Toll
Fallon	Morrow	Trimble
Farbstein	Miller, Clem	Tupper
Fascell	Miller,	Udall, Morris K.
Finnegan	George P.	Vanik
Fisher	Mills	Vinson
Flood	Monagan	Walter
Flynt	Montoya	Watts
Fogarty	Moorhead, Pa.	Whitener
Forrester	Morgan	Whitten
Fountain	Morris	Wickersham
Frazier	Morrison	Willis
Friedel	Moss	Winstead
Garmatz	Multer	Wright
Gary	Murphy	Yates
Gathings	Murray	Young
Glaimo	Natcher	Zablocki
Gilbert	Nedzi	Zelenko
Gonzalez	Nix	

NAYS—169

Abbt	Bass, N.H.	Broomfield
Abernethy	Bates	Brown
Adair	Battin	Broyhill
Aiger	Becker	Bruce
Andersen,	Beermann	Byrnes, Wis.
Minn.	Belcher	Cahill
Anderson, Ill.	Bell	Cederberg
Arends	Bennett, Mich.	Chamberlain
Ashbrook	Berry	Chenoweth
Ashmore	Betts	Chipfield
Auchincloss	Bolton	Church
Avery	Bow	Clancy
Baker	Bray	Collier
Baldwin	Bromwell	Conte

Cramer	Judd	Pirnie
Cunningham	Kearns	Poff
Curtis, Mass.	Keith	Quile
Curtis, Mo.	Kilburn	Ray
Dague	King, N.Y.	Reifel
Derounian	Knox	Rhodes, Ariz.
Derwinski	Kunkel	Riehlman
Devine	Kyl	Robison
Dole	Laird	Roudebush
Dominick	Langen	Rousselot
Dooley	Latta	St. George
Durno	Lindsay	Saylor
Dwyer	Lipscomb	Schadeberg
Ellsworth	McCulloch	Schenck
Fenton	McDonough	Scherer
Findley	McIntire	Schneebeli
Fino	McVey	Schweiker
Ford	MacGregor	Schwengel
Frelinghuysen	Mailliard	Scranton
Fulton	Martin, Mass.	Seely-Brown
Gariand	Martin, Nebr.	Short
Gavin	Mason	Shriver
Glenn	Mathias	Sibal
Goodell	May	Siler
Goodling	Meador	Smith, Calif.
Griffin	Michel	Stafford
Gross	Milliken	Teague, Calif.
Gubser	Minshall	Teague, Tex.
Hall	Moeller	Thomson, Wis.
Halleck	Moore	Tollefson
Halpern	Moorehead,	Tuck
Harrison, Wyo.	Ohio	Utt
Harsha	Morse	Van Pelt
Harvey, Ind.	Mosher	Waggonner
Harvey, Mich.	Nelsen	Wallhauser
Hiestand	Norblad	Weaver
Hoeven	Nygaard	Wels
Hoffman, Ill.	O'Konski	Westland
Horan	Osmer	Whalley
Hosmer	Ostertag	Wharton
Jensen	Pelly	Widnall
Johansen	Peterson	Wilson, Ind.
Jonas	Pillion	Younger

## NOT VOTING—34

Ayres	Granahan	Pilcher
Barry	Grant	Rains
Brewster	Hoffman, Mich.	Reece
Buckley	Huddleston	Sheppard
Corbett	Jarman	Sikes
Curtin	Jones, Mo.	Springer
Daddario	Kee	Taber
Davis, Tenn.	Landrum	Ullman
Dowdy	Miller, N.Y.	Van Zandt
Feighan	Moulder	Williams
Gallagher	Passman	Wilson, Calif.

So the bill was passed.

The Clerk announced the following pairs:

Mr. Buckley for, with Mr. Dowdy against.  
 Mr. Ullman for, with Mr. Van Zandt against.  
 Mr. Brewster for, with Mrs. Reece against.  
 Mrs. Granahan for, with Mr. Ayres against.  
 Mr. Feighan for, with Mr. Barry against.  
 Mr. Gallagher for, with Mr. Hoffman of Michigan against.  
 Mr. Sheppard for, with Mr. Taber against.  
 Mr. Rains for, with Mr. Miller of New York against.  
 Mr. Daddario for, with Mr. Willson of California against.  
 Mr. Davis of Tennessee for, with Mr. Springer against.  
 Mr. Houlder for, with Mr. Curtin against.  
 Mr. Sikes for, with Mr. Corbett against.

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

## GENERAL LEAVE TO EXTEND

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that all Members may revise and extend their remarks on the bill H.R. 6360, just passed.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

## AUTHORIZING ADDITIONAL ASSISTANT SECRETARY OF COMMERCE

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1456) to authorize an additional Assistant Secretary of Commerce, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. GROSS. Mr. Speaker, reserving the right to object, is this bill the same as the bill that was just passed?

Mr. HARRIS. It is identical to it word for word.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the Senate bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there shall be in the Department of Commerce, in addition to the Assistant Secretaries now provided by law, one additional Assistant Secretary of Commerce who shall be appointed by the President by and with the advice and consent of the Senate, shall receive compensation at the rate prescribed by law for Assistant Secretaries of Commerce, and shall perform such duties as the Secretary of Commerce shall prescribe.*

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill, H.R. 6360, was laid on the table.

## WOODROW WILSON MEMORIAL COMMISSION

The SPEAKER. Pursuant to the provisions of section 1, Public Law 87-364, the Chair appoints as members of the Woodrow Wilson Memorial Commission the following members on the part of the House: the gentleman from New Jersey [Mr. GALLAGHER], and the gentleman from New Jersey [Mr. WALLHAUSER].

## ELECTION TO COMMITTEES

Mr. MILLS. Mr. Speaker, I offer a privileged resolution and ask for its immediate consideration.

The Clerk read as follows:

H. RES. 539

*Resolved, That the following-named Members be, and they are hereby, elected members of the following standing committees of the House of Representatives:*

Committee on Agriculture: GRAHAM PURCELL, Texas.

Committee on Veterans' Affairs: RAY ROBERTS, Texas.

The resolution was agreed to.

A motion to reconsider was laid on the table.

## WELFARE AND PENSION PLAN AMENDMENTS OF 1961

Mr. SMITH of Virginia. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 538.

The Clerk read as follows:

*Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8723) to amend the Welfare and Pension Plans Disclosure Act with respect to the method of enforcement and to provide certain additional sanctions, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.*

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Kansas [Mr. AVERY], and yield myself such time as I may consume.

The SPEAKER. The gentleman from Virginia is recognized.

Mr. SMITH of Virginia. Mr. Speaker, I have no requests for time on this resolution and do not expect to consume any appreciable time.

This bill is an open rule providing for the consideration of amendments to the Welfare-Pension Plans Disclosure Act, with 2 hours of general debate. The bill was reported out by the committee after considerable investigation by the Department of Labor into the administration of welfare plans of industry and labor.

Mr. Speaker, I reserve the balance of my time, and yield to the gentleman from Kansas.

Mr. AVERY. Mr. Speaker, I yield myself such time as I may need.

Mr. Speaker, I know of no objection on this side of the aisle to bringing this bill up for consideration, but I do know some questions exist in the minds of quite a few Members on this side of the aisle, and I presume on the other side also, as to certain provisions included in this bill. There is a basic question, however, as to the justification for passing the bill itself.

For example, Mr. Speaker, a number of witnesses appeared before the Rules Committee in support of this bill but they were not able to establish any tangible evidence that there was a specific need for further amendment to the Pension and Welfare Disclosure Act of 1958. We would agree that the authority and the power of the Secretary of Labor under the 1958 act is somewhat limited, but I think the burden of proof falls upon the proponents of this bill to show to the House why it is insufficient.

There was no persuasive evidence—let me say I could not say there was no



evidence, but there was no persuasive evidence—as to why the Secretary of Labor would require more authority to supervise the pension and welfare plans to the extent intended by Congress than he has under the present act.

Some suggestion has been made as to intent to defraud the recipients of the assets of these funds over the years or of some mismanagement of these funds; there is a fraud statute in every one of the 50 States that would apply, providing all the necessary authority for prosecution for fraud or misuse of assets. So that does not seem to be a compelling reason.

If it is the will of Congress, if it is the will of this House particularly, to subject all of the pension and welfare funds to the careful scrutiny of the Secretary of Labor and to subject them to his supervision to the extent that at some time in the future he may have jurisdiction over the management of these funds, then, this bill should pass and it should pass without amendment.

Mr. POWELL. Mr. Speaker, will the gentleman yield?

Mr. AVERY. I would be honored to yield to the distinguished chairman of the Committee on Education and Labor.

Mr. POWELL. There are only five States that have such laws and only two of them have laws with teeth in them. One of them is the State of Massachusetts, but the law was not strong enough and they did not appropriate money for it.

Mr. AVERY. Will the gentleman listen carefully to what I said. I did not say there exists in the 50 States complete and full jurisdiction for the surveillance of the welfare funds, but there is a statute against fraud, is there not, in all the 50 States? If there is intent to perpetrate on the fund or the recipients of the fund a fraud, certainly they would be subject to prosecution under such statute in all the States.

There are a few tangibles in this bill that, if passed, can be anticipated. We are going to add 8,500 employees to the Federal payroll over a period of years. I checked with the Committee on the Post Office and Civil Service and there are presently, I am informed, 8,000 more Federal employees than there were a year ago, which is an all-peacetime high for civilian employees. But we here propose to add 8,000 more.

Mr. POWELL. Mr. Speaker, will the gentleman yield?

Mr. AVERY. I yield to the gentleman from New York.

Mr. POWELL. There will not be 8,500 additional employees. There will be only 180 additional employees. The estimated cost will be about \$1,500,000 for this new group. I am willing to accept an amendment to be offered at the proper time to place a limitation of \$1,500,000 for salaries paid under this act.

Mr. AVERY. I would reply to the chairman of the committee in this way: This bill is getting better all the time. It is at least 95 percent better than it was 10 minutes ago. I said it was going to cost \$45 million on an extended estimate. If we are going to cut that down to \$1

million, then this bill has been much improved in this colloquy.

May I add, too, that I will yield to the chairman of the committee for any further improvements to the bill as we move along.

Now, I wonder if we can look at this figure of \$45 million, because the bill does have a potential cost of \$45 million as presently written. I am wondering how many years it would take to save \$45 million if this bill were to pass? In my judgment, I would estimate it might take 45 years to save \$45 million, because there was no evidence before the Committee on Rules of any gross mismanagement of the pension and welfare fund that could not be handled under the 1958 act.

Mr. Speaker, I want to make one further point. I do not know what allusion you may have as to where the support for this bill comes from or where the opposition comes from.

I think it is reasonable to assume that some Members might have gained the impression that this bill has the full and unqualified support of organized labor; that it is opposed by forces not always in agreement with organized labor, and that a vote against this bill is an anti-labor vote. I want to dispel any such illusion that you may have gained during the discourse this afternoon, because the United Mine Workers are opposed to this bill. Certainly there was no allegation of fraud in their various funds in any of the testimony that came to my attention.

Mr. ROOSEVELT. Mr. Speaker, will the gentleman yield?

Mr. AVERY. I yield to the gentleman from California.

Mr. ROOSEVELT. That statement is not quite correct.

Mr. AVERY. You mean there has been a question of fraud and mismanagement on the part of the pension funds of the United Mine Workers.

Mr. ROOSEVELT. Yes. There are a great many complaints on file in the committee with reference to this fund.

Mr. AVERY. Of course, I would have to accept that statement by the gentleman from California, because, as chairman of the subcommittee, I am sure he has more knowledge and familiarity with the detailed history of the United Mine Workers than the gentleman presently addressing the House. But, I would say this, I think the United Mine Workers have probably managed their affairs in as good order as any other union and, as far as I am concerned, are beyond reproach, and I take very seriously their objection to this bill as an unreasonable burden on the part of the union. Now, if this would come as any special interest to the Members, I would say it is also opposed by the Teamsters organization. I would add, further, that it is opposed by a number of small industrial unions for the reason that it would be imposing an undue burden upon the resources of those unions to comply with all of the requirements that subsequently might be made by the Secretary of Labor.

So, in conclusion, Mr. Speaker, let me say that the rule should be adopted. We should debate this bill, but I would ad-

monish the Members to listen to this debate very carefully and I would admonish them further to listen carefully to the amendments that will be offered from this side of the aisle. The chairman has very generously offered to accept an amendment, as I observed awhile ago, which would drastically improve this bill and save \$44 million. I think a few more amendments in that direction might be made to make the bill worthy of favorable consideration.

Mr. Speaker, I have no further requests for time.

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. POWELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8723) to amend the Welfare and Pension Plans Disclosure Act with respect to the method of enforcement and to provide certain additional sanctions, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 8723, with Mr. BONNER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. POWELL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, in January of last year, before the 87th Congress opened, while examining the tasks which lay before our committee, it became apparent that one of the most obvious legislative actions needed was the amendment of the Welfare and Pension Plans Disclosure Act.

Mr. Chairman, the law, as passed in 1958 over the strenuous objections of many of the members of the Committee on Education and Labor, was a misrepresentation. When former President Eisenhower signed this bill he set forth his dissatisfaction and stated he was only signing it to establish Federal responsibility in this area. The then Secretary of Labor, Mr. Mitchell, called upon the previous Congress to tighten this legislation. The gentleman from New Jersey [Mr. FRELINGHUYSEN] introduced a bill in the 86th Congress for that purpose. The bill before you today, H.R. 8723, which I personally introduced, drew heavily upon the Frelinghuysen recommendations and the best thinking of the present and past executive branches of our Government. I have since given the authorship of that bill to the gentleman from Iowa [Mr. SMITH].

Mr. Chairman, I am concerned with the tremendous responsibility placed in the hands of the trustees of these pension and welfare funds which now affect the lives of over 100 million people in this country. These funds have been growing at a fantastic rate. The gentleman from California [Mr. HIESTAND], who is opposed to this amendment in a letter received this morning, indicates that within a few years the amount of plan assets will total \$100 billion.

Today, annual payments into these funds exceed the budgets of the State of New York, the State of California, and a dozen other States, combined. Annual payments into these funds exceed the amounts invested by individuals in all the corporate securities of the United States combined. Fund reserves now far exceed \$60 billion and are increasing at the rate of well over \$5 billion a year.

This Congress must assure the millions of men and women who are the beneficiaries of these plans, and their families, that their money is well handled and their promised benefits properly safeguarded.

This is not done by the present law. The present law is toothless. The 1958 statute made the Secretary of Labor the depository for summary reports of plans and plan operations. He can do nothing to get true facts or to remedy abuses.

Our committee was not the first to recognize the need to fully disclose pertinent information about these plans. In New York State, where a more effective statute was passed, malpractices became apparent. We do not need further scandals to underscore the need for amendments to the present law. Requiring an accounting from the trustees of all types of plans will establish and imbue their operations with a code of conduct which will act as a deterrent to transgressors.

Some opponents of this legislation state that need for these amendments has not been shown because the Department of Labor has no evidence of irregularities. What these opponents have not considered is the simple fact that the Department has not—under the present law—any way in the world of finding out whether or not any fund is properly administered.

This can truly be called a bipartisan measure. Its principles were supported by former President Eisenhower and his Secretary of Labor; a distinguished member of our committee from the other side of the aisle sponsored such legislation; two out of the three Republican members of the subcommittee which considered the legislation supported the measure as it was finally reported out—the third member was not recorded in subcommittee. The subcommittee also sought suggestions, during the public hearings, from industry, labor, insurance companies, investment counselors, and welfare and pension plan administrators. All of their meritorious suggestions have been incorporated in the bill before you this afternoon.

A majority of the House voted in September in support of this measure—a vote of 245 to 161. I believe that the Members voted this way because they truly believe that it is fundamental in a democracy that the rights of the individual are secured by law—and under the present statute, the rights of millions of Americans to full disclosure of the operations of their pension and welfare funds are not so secured. We will deceive them no longer.

Your vote and support for H.R. 8723 is now solicited to close the glaring loopholes in the present law.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. Hiestand].

Mr. Hiestand. Mr. Chairman, most of the bills receiving committee attention at last session of Congress and carried over to this session have three basic ingredients: increased Federal power, increased Executive power, and increased spending. H.R. 8723 has all of these, but it has much more and I object to it for the following reasons:

The need has not been shown. Indeed, it will not be shown because it cannot be shown. Long and extended hearings developed the only instances of graft or corruption occurred in excess of 5 or 6 years ago—long before the present law was made effective and most of these were of a type which would not have been corrected by the presently proposed legislation.

#### THE OFFENDERS WERE CONVICTED AND SENTENCED

There has been no wrongdoing shown since the enactment of the present law. The worst charge we have is that Secretary of Labor Goldberg assumes there has been wrongdoing. Mr. Chairman, I do not believe this House should legislate on assumptions or suspicion or imagination. Maybe there has been wrongdoing, but there are in every State adequate laws to punish embezzlers, grafters, and thieves. These laws apply to offenses in all kinds of transactions.

The charge has been made that thousands of plans and reports required under the present law have failed to come in on time.

Well, the hard facts are that in the very first year—and mind you, this law became effective February 1, 1959—in the very first year there were some 125,000 descriptions filed initially and the 109,000 first annual reports filed on time actually covered 118,000 of these plans.

Thus, 7,000 did not report on time. Of this 7,000, 5,000 subsequently reported or subsequently explained their failure to do so. Thereafter, 2,000 certified letters were sent to the nonreporting plans and 1,240 satisfactory plans were received.

Of the 760 who did not satisfactorily reply, 52 were carefully screened and selected as appropriate cases and forwarded to the FBI for investigation. Forty of these 52 filed as soon as they were contacted by the FBI and the remaining 12 subsequently filed after requesting time to obtain the necessary data.

How can anyone charge that this is a "massive evasion of law" or even a substantial spirit of uncooperativeness? In other words, the present law has been and is effective. Why enact so-called strengthening legislation when there are no weaknesses in the present law?

It is on this flimsy basis that we are requested to enact a law providing penalties as high as \$10,000 fine or 5 years imprisonment, or both. Mr. Chairman, it is a serious thing to enact a law with these heavy penalties on so flimsy a base.

H.R. 8723 would tremendously increase the power of the Federal Government and the executive branch. This is particularly so with the Secretary of Labor, giving him not only regulatory power,

but investigative power and providing criminal penalties. Here again we have another instance of a department or bureau having both legislative and executive powers.

Proponents of this bill would do indeed as they claim: put teeth into the law. And they would do it with a vengeance.

Mr. Chairman, with this added power, of course, there has to come another big enforcement staff, estimated at 8,550 and at a cost of \$45 million. These estimates are based upon the cost of enforcement of present State laws of a similar character. Hence, there is a largely increased Federal expense. The expenditure of large funds of taxpayers' money could well be made if the need had been shown and if the money could be well spent. But, in my judgment, this is simply not the case with the proposal before us today.

Mr. POWELL. Mr. Chairman, will the gentleman yield?

Mr. Hiestand. I yield to the chairman.

Mr. POWELL. I appreciate the gentleman's enlightenment that the estimated staff is 8,500 but I would like to know who made that estimate.

Mr. Hiestand. I am happy to reply that it is in the testimony by the administrator of New York law.

Mr. POWELL. That is the New York State law?

Mr. Hiestand. Yes, the New York State law.

Mr. POWELL. We are dealing with Federal law here and the Secretary of Labor has informed us in writing that it will be 180 employees and not 8,500.

Mr. Hiestand. I am well aware of that. I am happy to tell the chairman that is a good estimate, if he wishes to live up to it.

Mr. POWELL. We can live up to it by putting it in the bill as an amendment.

Mr. Hiestand. This estimate is based on a thousand such plans in New York and we contemplate the heavier supervision over 150,000 such plans.

Of course, there are other obnoxious features. Over 90 percent of the funds are managed and supervised by corporate officials. Most of the people handling funds are already under bonds and are carefully supervised by the company auditing departments. This measure would require duplicate bonds and duplicate auditing.

The present D-2 reports are, in my judgment, very complete and sufficiently detailed. The bill provides just that amount of detail. But the power to regulate would authorize the Secretary of Labor tremendously to increase all of that detail—constituting a heavy burden on a large number of the very small welfare and pension plans.

One official is quoted as saying, "this would cost us \$800,000 a year and I would rather see that money put into the fund." Who is the beneficiary here—the contributor or the bureaucrat?

But, why the demand for all this increased power without justification? Could it be that certain union leaders who have publicly demanded a voice in the management of welfare and pension



funds would seek eventually to control those vast funds? Could it be that in the years ahead, when the funds are well up in the billions, these leaders would desire to direct the investment of these vast sums into the control of certain corporations, thus gaining immensely increased bargaining power? Could it be that this is simply a step in that direction?

The trend is clear. Private, well-managed control now. Government control tomorrow. Could it be certain labor leaders' control in a few years?

Like most of the setting up of other huge bureaus, we must also, of course, have an advisory council of 13 members, including 2 from management and 4 from labor and 2 from other interested groups. Need I say more?

Mr. Chairman, I consider this a very dangerous bill and urge that it be defeated.

It would give the Secretary of Labor unnecessary and broad regulatory authority, and would unduly burden the administration of pension and welfare funds; infringe upon State legislation—which is a more appropriate and effective method of handling problems involved; ignore the provisions of the Internal Revenue Code which now provide effective indirect control of abuses of pension and welfare funds; disregard the rules of conduct and standards prescribed in the Taft-Hartley Act for jointly administered welfare and pension funds; and create within the Federal Government a new bureaucracy which would increase financial and administrative burdens of the Federal Government.

Mr. Chairman, that bill became effective January 1, 1959. By June of 1959 the bill was introduced by my distinguished colleague, the gentleman from New Jersey, at the request of some of the bureaucrats down in the Labor Department. We had not at that time had a chance to see whether it was going to be effective or could be effective. It has been effective.

I oppose the bill and urge its defeat.

Mr. POWELL. Mr. Chairman, I yield the balance of the time on this side to the gentleman from California [Mr. ROOSEVELT], to yield as he wishes, and to manage the bill as chairman of the subcommittee.

The CHAIRMAN. The gentleman from California is recognized.

Mr. ROOSEVELT. Mr. Chairman, I am very pleased to join with the gentleman from New York, the chairman of the House Committee on Education and Labor, in urging the passage of H.R. 8723, the bill to amend the Welfare and Pension Plans Disclosure Act.

The subcommittee of which I am chairman originally considered the bill and put it into the form in which the full committee reported it out. I shall accordingly describe to you some of the details respecting the background of and need for this proposed legislation and the nature of its provisions.

The Disclosure Act, enacted in August 1958 and effective as of January 1, 1959, followed studies and investigations which were undertaken in the 83d and 84th

Congresses by special subcommittees, including Senator DOUGLAS' committee. These investigations revealed shocking and scandalous cases of embezzlement, overreaching, exorbitant insurance premiums, irregular insurance practices, and other forms of collusion in the operation of employee welfare benefit plans. These studies and hearings clearly demonstrated the need for full public disclosure of the facts surrounding the provisions, finances, and operations of these plans as a means of insuring that they will be honestly administered.

While nobody questions that the vast majority of these plans are being run honestly and efficiently, it became evident that disclosure legislation is imperative both as a remedy where abuses already existed and as a preventive against possible future irregularities.

During the 85th Congress a subcommittee of the Senate Labor and Public Welfare Committee, under the chairmanship of then Senator John F. Kennedy, held exhaustive hearings on a number of disclosure bills that had been introduced. The committee voted out the Douglas bill, S. 2888, which the Senate passed by a vote of 88 to 0. This vote makes it obvious that not only was there a dearth of opposition to the measure, but also that it had strong bipartisan support.

S. 2888 was a strong bill. Under it many of the abuses which had been shown to exist could have been detected and corrected. Indeed, I can say that if it had become law we would not be here today.

However, the House passed a much milder bill which in effect retained only the disclosure aspects of S. 2888. Gone were that bill's provisions which would have authorized the Secretary of Labor to administer the measure, to prescribe rules and regulations, to investigate and compel compliance. Dropped by the wayside were the provisions heavily penalizing willful violations and making embezzlements and kickbacks Federal felonies. This watered down version, under which the Labor Department is only a depository for report forms, was enacted into law. Three years' executive branch experience under the Disclosure Act amply shows its futility.

The tragedy of this act was aptly expressed by former Secretary of Labor Mitchell in his report to Congress on August 9, 1960, when he stated:

To continue the law in its present form in the belief that it assures adequate protective safeguards is a shameful illusion. To abandon it entirely, however, would be an act of betrayal to the millions of Americans who have a right to a sense of security that the billions of dollars annually received and disbursed by these plans are being honestly and prudently managed.

Private employee welfare and pension benefit plans have become an economic factor of major importance. Approximately 100 million people, workers and their dependents, which is over one-half of the population of the United States, rely upon one form or another of the welfare and pension plans subject to the Disclosure Act. Typical welfare plans cover group medical, hospital and surgi-

cal, temporary disability, sickness, accident plans and life insurance. Pension plans operate on a group basis to provide income for the wage earner when his years of active earnings are ended. In other words, they protect the working men and women of America and their families when illness strikes or accidents befall; and they protect him against being an object of charity, public or private, when old age destroys his ability to support himself or when the day comes when he wants to enjoy his remaining years in a pleasant and well-earned retirement.

Beginning in World War II when employee benefit payments came frequently to be used as a substitute for wage increases, the growth in welfare and pension plans has been tremendous. Plan assets as of 1959 amounted to nearly \$48 billion. In the intervening time assets have been increasing at a rate of \$5 billion a year, so that it is safe to say they are now around \$58 billion. It is also a safe estimate to say that by the early 1970's they will have reached the staggering total of \$100 billion. Contributions to these plans reached a record high of over \$10 billion in 1959, with more than \$5 billion being paid out in benefits.

The gentleman from New York has given you in a nutshell the major ways in which the Disclosure Act is deficient. It has many other less glaring defects too, some of which I shall mention. In any event, these shortcomings would be attacked by H.R. 8723 with a broad program that breaks down into six component parts which combine together into a highly effective whole:

First. Adequate investigative power would be given the executive branch.

Second. Specific power to compel compliance and restrain violations of the law through civil judicial proceedings would be given the Government.

Third. Power to issue binding and authoritative opinions and interpretations of the law would be conferred on the Secretary of Labor.

Fourth. Bonding of persons who handle the funds and other property of these plans would be required.

Fifth. Three new sections would be added to the Federal Criminal Code prohibiting kickbacks and certain conflict of interest payments to influence actions of the giver or receiver, embezzlement, and false entries.

Sixth. Miscellaneous amendments of existing law, designed to improve operations under the act, would be made.

As you know, this statute is a disclosure law, not a regulatory one. Before I take up the provisions of H.R. 8723, I want to point out that it would add language to present section 9, stating that nothing in the law shall be construed to authorize the Secretary to regulate or interfere in the management of any plan.

Taking the above six items in order, I have no hesitancy in saying that one of the worst defects of the Disclosure Act is its failure to give the Secretary of Labor adequate investigative power. He lacks authority to investigate cases of faulty, deceptive, or defective reporting, or of complete failure to file. As a re-

sult, although it is a sure thing that a large number of plans have not filed descriptions and reports, it is impossible to know how many there are and—vastly more important—it is usually impossible to identify particular plans that have not filed.

Without authority to investigate, there is little the Labor Department can do to identify delinquent plans. Of course, it is possible to identify a plan that files a description but fails to follow up with the required annual reports. However, if the plan files nothing at all there is little likelihood that its identity will come to light; the actual violation of the law turns out to be the greatest safeguard against detection.

H.R. 8723 would give the Secretary of Labor authority to conduct investigations, conditioned upon certain specific standards which he must follow in deciding whether or not to act. He would be empowered to begin his investigation whenever he has reasonable cause to believe that an investigation may disclose violations of the act. In such event investigative action may be instituted either on a complaint of violation or by the Secretary on his own initiative. Further, in cases involving possible violations of section 7(b), concerning the publication and filing of reports, the Secretary may investigate only when he has first required certification of the annual report by an independent certified or licensed public accountant. This is designed to cut down on investigative costs and burdens by dispensing with them in cases where such certifications will serve all necessary purposes. Certification will often explain or clear up a complaint of alleged violation to the satisfaction of all concerned, thereby rendering investigation unnecessary. Of course, this certification is required only in section 7(b) cases where there actually is a report. It is not required where the violation is of some other section of the act or where the offense is failure to file any report at all.

In aid of this investigatory power, the bill would make the provisions of the Federal Power Act relating to the attendance of witnesses and the production of documentary evidence applicable to the Secretary or his designee. The use of the administrative subpoena is indispensable to effective investigative power under statutes like this, and it is commonly granted by such laws. A comparable provision appears in the Landrum-Griffin Act, and one was in the Douglas bill, S. 2888, when the Senate passed it in 1958.

Now, the second item; power to compel compliance through civil judicial proceedings.

A very serious shortcoming arises from the fact that the Disclosure Act relies to a large extent on self-policing by individual employees or participants to compel compliance through private litigation. This is wholly unrealistic and, as was to be expected, has proved to be wholly ineffective; apparently only one private beneficiary suit has been brought during the act's 3-year history.

I was greatly impressed last year by the following statement in the report of

the Commission on Money and Credit, a high-level group representing financial, business, labor, and educational organizations, and established by the Committee on Economic Development:

The underlying premise of the Federal Welfare and Pension Plans Disclosure Act of 1958 is that the individual participant in the pension plan is expected to detect maladministration and invoke legal remedies to protect his own interest, whereas experience has shown that employee suits alone are inadequate as enforcement remedies.

Of course employee suits alone are inadequate. Individual employees usually have neither the necessary facts, money, nor the time to prosecute their own cases.

Experience has also shown that criminal sanctions alone are not enough. Under the present law a willful refusal to file a report is a misdemeanor. But imposing the criminal penalty alone would not be the real answer in securing compliance with the law. Compliance, not punishment, is the real objective, and that would be obtained by securing a court order to compel the filing of the report. Hence the bill would specifically authorize the Government to bring civil actions in which the courts could direct compliance with the law.

The third major defect in the Disclosure Act is that no Government agency is authorized to interpret it. There are many close and doubtful questions about the meaning of various provisions of the law. Administrators of these plans want the answers. They are entitled to the answers. They ask these questions in good faith and there are countless areas in which advice to them is imperative. Yet, the Department of Labor can answer only on an informal advisory basis because the law does not empower it to issue binding interpretations or instructions.

H.R. 8723 would remedy this situation by authorizing the Secretary to issue binding opinions and interpretations which plan administrators can uniformly follow and on which they can rely. Administrators who follow such opinions and interpretations will have a good-faith defense if their actions are subsequently questioned.

The fourth area in which H.R. 8723 would improve upon existing law is bonding. Every administrator, officer, and employee who handles funds or other property of a plan would be bonded.

This, of course, does not infer that any substantial number of these persons are dishonest; the contrary is true. However, just as in the case of bank employees and others handling money, bonding is necessary to take care of the occasional case of defalcation which is bound to result whenever a large group of people is handling large sums of money.

The bill prescribes maximum and minimum amounts, \$500,000 and \$1,000, respectively, but the Secretary could, after notice and opportunity for hearing, prescribe an amount in excess of the maximum. This is necessary because the provision expressly permits the use of blanket or schedule bonds covering many individuals. When all the employees of some of the larger trusts are combined

in one bond, such bond would have to be more than half a million dollars to afford adequate protection.

The bond's obligation would be to protect against fraud or dishonesty. It would be in a form or of a type approved by the Secretary who could approve the use of schedule or blanket forms of bonds in lieu of individual bonds. The Secretary could also exempt plan personnel from any of the bonding requirements when he believes that other bonding arrangements afford adequate protection. It would be made clear that compliance with this bonding requirement would relieve the person bonded from similar requirements under any other law insofar as the handling of the funds of the particular plan is concerned.

The fifth major addition to existing law would be made by the provisions of H.R. 8723 which would provide criminal penalties for kickbacks and certain other conflict-of-interest payments and receipts designed to influence certain actions of the giver or receiver; embezzlement; and false statements or concealment of facts in documents required to be published or kept as supporting records. The need for these three provisions is plain. The Douglas committee found that these are fertile fields for abuses. Prohibitions in these areas were included in the original Douglas bill.

The committee, at the suggestion of the Department of Justice, added to the kickback section a subsection authorizing application, with the Attorney General's approval, to the court for an order compelling witnesses in court or grand jury proceedings involving this particular section, to testify or produce evidence in return for immunity. It is clear that this will materially aid law enforcement in the conflict-of-interest field covered by this section.

I will not dwell at length on the sixth category, namely, miscellaneous improvements. The more important are:

First. Establish an advisory council to advise the Secretary respecting the act's administration. The 13-member council would be composed of 1 member from the insurance field, 1 from the corporate trust field, 2 from management, 4 from labor, 2 from other interested groups, and 3 from the general public.

Second. Plan reports would be made public information.

Third. Where plan benefits are provided through the medium of an insurance carrier, service, or other organization, the carrier or organization would be required to certify to the administrator such reasonable information as the Secretary deems necessary to enable such administrator to comply with the act.

Fourth. Every person required to file any plan description or report, or to certify any information, would be required to keep adequate supporting records and preserve them for 5 years.

Fifth. When the Secretary has determined that an investigation is necessary, under the limitations which I have described above, he would be empowered to require the filing of supporting schedules of assets and liabilities. While it is intended that this authority shall not be



indiscriminately invoked, it would be valuable in certain situations.

Sixth. The present misdemeanor provision of the act would be made applicable to all sections thereof instead of being limited as at present to violations of sections 5 and 8—"Duty of Disclosure and Reporting" and "Publication," respectively.

Seventh. The Secretary would be authorized, after notice and opportunity for hearing, to prescribe regulations which would dispense with present reporting requirements covering certain information that is either duplicative, unnecessary, or impossible for practical purposes to obtain.

Eighth. As I said earlier, the new provision giving the Secretary investigatory power, subject to meeting specified standards, specifically denies him the authority to regulate plans. However, it permits him to inquire into the existence and amounts of investments, actuarial assumptions, or accounting practices, but only when it has been determined that investigation is required under the bill's standards.

Ninth. The Administrative Procedure Act would be specifically made applicable to the Disclosure Act.

Before concluding, Mr. Chairman, I wish to emphasize that the participants of the many welfare and pension plans have a right to have their investments safeguarded. The moneys which are contributed into these funds, both by the employer and employee, rightfully belong to the employees much like wages earned belong to the employee. In fact the courts, as well as labor and management in their wage negotiations, have recognized that welfare and pension plans are a form of deferred compensation for services performed. This bill is directed at protecting these investments from mismanagement by requiring full disclosure from plan administrators.

The need for extensive amendments to the 1958 Disclosure Act has been expressed by leaders of both parties. In signing the law into effect on August 29, 1958, former President Eisenhower both recognized the Federal Government's responsibility in this area and foresaw the law's basic weaknesses, urging that extensive amendments be adopted during the next session of Congress.

After 3 years' experience with the law, President Kennedy, in his message to Congress also stated:

Since the enactment of the act in 1958 we have had an opportunity to observe its operation and effect. This has disclosed several serious deficiencies. The act is designed to prevent repetition of abuses and irregularities in the administration of employees' benefit plans. I believe these amendments are necessary to carry out that purpose.

In summary, therefore, Mr. Chairman, the committee is presenting to the House a most moderate and fair bill the need for which has been unanimously voiced and which takes into account the many special problems presented by committee witnesses in the course of its public hearings.

Mr. POWELL. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to my chairman, the gentleman from New York.

Mr. POWELL. The preceding speaker, also one of our colleagues from the State of California, mentioned that bureaucrats wanted this legislation. I wonder if he included in the term "bureaucrat" the former Secretary of Labor, Mr. Mitchell, and our colleague from New Jersey [Mr. FRELINGHUYSEN] and all of the Republicans who voted in favor of this bill in committee?

Mr. ROOSEVELT. I would have to say to my distinguished chairman that, of course, it is the privilege of our colleague from California to refer to members of his party as bureaucrats—not an entirely complimentary designation—if he wishes to do so; but, of course, the RECORD will show that the charge did not come from this side of the aisle.

I think it would be well to point out that the matter of urgency for this measure to create more bureaucrats as referred to by my friend from California, occurred under former President Eisenhower, who recommended these provisions to Congress. I think it must be conceded that the former President has a somewhat greater stature than being a bureaucrat.

Mr. HIESTAND. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield.

Mr. HIESTAND. I cannot, of course, imply that the President of the United States knew all the details in the remarks he made.

Mr. ROOSEVELT. I think all of us recognize that this is the second time this measure has been before this body. As the distinguished chairman, the gentleman from New York, remarked, this bill received an overwhelming majority last year; nevertheless, because of this rather unusual procedure I think it is important that we perhaps go over some of the background and reestablish some of the legislative history of this bill and put the picture in its proper perspective.

Mr. HIESTAND. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from California.

Mr. HIESTAND. That was before the existence of the present law.

Mr. ROOSEVELT. It was, but let me point out that the situation is no better, as far as I know, and, as a matter of fact, the Secretary of Labor and Mr. Carey, appearing before our committee, stated they believe it is worse. I am going to give you the worst part of it.

Mr. HIESTAND. But he had no evidence it was bad.

Mr. ROOSEVELT. It is bad enough if abuses happened, and President Eisenhower said the time had come when the matter should be gone into.

Mr. HIESTAND. The fact remains that the present law has done the job.

Mr. ROOSEVELT. The fact remains it has not done the job, and we have no evidence it has done the job. Mr. Mitchell, under a Republican administration, and the Secretary of Labor, under a Democratic administration, both say that the job has not been done. What more

does the gentleman want? I do not know.

Mr. KEITH. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I will be glad to yield to the gentleman from Massachusetts.

Mr. KEITH. I think before you leave the subject which you first dealt with that I would like, as a former insurance man, to point out something which might shed a little light on the subject. I am sure that you and I both recognize, as former insurance men, that in the first year of the average life insurance policy no dividends are paid on those policies to the policyholders and similarly that the cash values in the first year of the policies are ordinarily at a minimum. I just want to set the record clear. My voting record last year would indicate support of similar legislation, but I do not think we should tell a portion of the story about the policies. In the first year they have a minimum cash value, but no dividends are paid.

Mr. ROOSEVELT. These are renewal policies, not first-year policies. Because my friend is an expert in the insurance field, could I ask him something to see if this is not the fact? Have you ever heard of the practice of trying to get a first year's commission by canceling the previous policy and rewriting it and collecting a first-year commission on that new policy?

Mr. KEITH. I have heard of that practice, but most companies have rules prohibiting it and refuse to pay any commission on policies that are sold because of surrendering other company policies. I do not know of any agent who is honorable who follows that practice. But, it had been done.

Mr. ROOSEVELT. Exactly. It has been done, and if it has been done once, then we have to have a law to make sure that it is not allowed to be done again in that growing field.

Mr. KEITH. There are State laws to this effect.

Mr. ROOSEVELT. There are only five State laws to this effect, unfortunately. I wish there were a lot more.

Mr. KEITH. Prohibiting the surrender of a policy in order to get a new commission?

Mr. ROOSEVELT. There are laws against twisting, but this can be done, as you know, without twisting. Even in my State of California that is done today almost every day of the week.

Mr. KEITH. It is not done among professional people in the life insurance field.

Mr. ROOSEVELT. That is true. We are not talking about the good people; we are talking about the bad people. We are after the bad people; we are not after the good people. And, this law is not written in any way to hamper the good people. This law is trying to do something about the practice which actually exists.

May I go on and say that the House, of course, in 1958, at the conference with the Senate, yielded against a bill which was much closer to the present bill, and if the Senate bill at that time had passed,

we would not have this legislation before us and the tremendous requests from both sides of the aisle to do something about its shortcomings.

Mr. KEITH. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from Massachusetts.

Mr. KEITH. Mr. Chairman, I do not know the details of the reports which are before the Congress or the committee hearings, but I should point out that there is at this time substantial regulation of a great many of these pension plans by the Internal Revenue Service. It is a long and involved process to come up with a plan that will win the Federal Government's approval. My colleagues in the Congress should know that it does not entirely escape Federal supervision at the moment.

Mr. ROOSEVELT. I would hope that my friend was going to be a friend of this legislation. But I would like to read a statement on this subject because, of course, the committee went into this problem.

Mr. KEITH. I do not doubt the committee went into it, but I do feel that the entire Congress should recognize the fact that the Internal Revenue Service does have a real responsibility which they exercise in this field.

Mr. ROOSEVELT. They went to the Internal Revenue Service and asked them whether they felt they had any ability in this field. They replied in no uncertain terms that their responsibility in this field was only for income tax purposes. They said they had no way of really knowing whether or not this would be lived up to and, so far as they were concerned, there was no duplication in reporting to the Internal Revenue Service and the Department of Labor. But, on the contrary, information obtained by the Internal Revenue Service is restricted on a confidential basis whereas in our end of it, this is all public information for the benefit of the beneficiaries. This is confidential information. Even if the Internal Revenue Service found that there were certain things going on which they suspected were probably wrong, they have said to the committee that they could not do anything about it as long as the facts given to them come up to the minimum standards which they require. So they, in essence, said to us, "Look, do not give us this job; ours is an income tax collecting or a tax collecting agency and we have nothing to do with the purpose of this bill."

Mr. KEITH. They do require strict compliance with the regulations which are spelled out in some detail, and one of those regulations is that the plan in which a man or woman is a beneficiary must be conveyed and interpreted to the beneficiary in order that he knows the details of the plan. It also is not allowed to discriminate in favor of certain classes of employees—generally speaking, in plans used to supplement social security. I would be interested in knowing under what administration and under what circumstances that letter which you just read into the RECORD was obtained.

Mr. ROOSEVELT. It was before the Senate committee, and it was also before our committee.

Mr. KEITH. What was the date of the letter and who sent it?

Mr. ROOSEVELT. I would have to ask the committee staff for that information, but I will be glad to put it in the RECORD for the information of the gentleman. I believe it was in 1961.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I am afraid I am using up the rather short time available to us, but I am glad to yield to my friend, the gentleman from Massachusetts.

Mr. CONTE. It might be profitable.

Mr. ROOSEVELT. I yield to my colleague.

Mr. CONTE. I compliment the gentleman and the members of the committee for this proposed legislation. In the State of Massachusetts I was chairman for 3 years of a commission investigating the welfare funds of the building and heavy construction unions in that State. I can say that the proposed legislation now before the House is very similar to the law that my commission wrote and which was finally passed by the Massachusetts State Legislature. Unfortunately, the Massachusetts Legislature has not appropriated the necessary funds to carry out the intent of the law. I wish to state here that my commission found many abuses. Let me give the gentleman from California one example. For the common laborers union health and welfare fund which we investigated in Massachusetts, they hired an administrator from Silver Spring, Md., a man by the name of Arthur Peisner and paid him a very handsome salary of about \$40,000 a year. He came to Massachusetts and set up this fund. Then he set up a dental fund to take care of the dental work of employees in the heavy builders and heavy construction union. Through a gimmick, they paid out \$412,000 in dental fees and, yet, not one person in that union ever had their teeth taken care of by a dentist in Massachusetts. This was only one small instance of many, many others. One of the trustees who happened to be a big construction employer in the State of Massachusetts and who also was an official of one of the banks, as a trustee of that particular fund in Massachusetts, took this money from the fund and deposited it in his bank interest free. This was only one of many abuses we found in the fund of the builders and heavy construction workers. There were officials both on the employers' side and on the employees' side who had their hands in the cookie jar. I think it is very commendable that we put some teeth in the laws so that such people can be brought before the bar of justice.

Mr. ROOSEVELT. I thank the distinguished gentleman from Massachusetts.

I think we can all agree that this bill is nonpartisan.

There are several other things I would like to talk about, but I will reserve the balance of the time on this side for others. At this time I would simply ask permission to revise and extend my re-

marks and say that I will continue the debate under the 5-minute rule.

The CHAIRMAN. The gentleman from California has consumed 28 minutes.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I rise primarily to state my own position both with respect to this bill and with respect to previous legislation in this same area which I introduced back in 1959. I would like to say at the outset that I am in favor of H.R. 8723, and I hope we are successful in passing it today.

It seems to me important that we provide the kind of teeth these amendments to the act would provide. This question, of course, goes back a good many years. In the first place, the act which we now propose to amend went into effect just over 3 years ago. On looking over my own record, I found I introduced a bill, H.R. 10124, in March of 1956, proposing the registering and reporting of these pension funds. In January 1957, at the start of the 85th Congress, I introduced another bill, H.R. 2437, which would provide for the registration and reporting of welfare and pension funds. Then in 1959, on June 2, I introduced H.R. 7489. This bill is the one which has been previously referred to. It would provide amendments similar to the ones we are presently considering.

It will be recalled, I am sure, that when President Eisenhower signed the Welfare and Pension Fund Disclosure Act in August 1958 he felt extensive amendments would be necessary in order to have effective legislation. I myself agree very much with that proposition. The bill I introduced in June 1959 actually incorporates the recommendations of the then Secretary of Labor, Mr. James Mitchell, and the administration then in power. I do not think there is any partisanship in the thinking of the many people who feel something needs to be done to improve the law we passed back in August of 1958.

The basic issue is a very simple one. It has already been discussed here at some length. The question is whether the law which was passed in 1958 is in itself sufficient, or whether we need to provide additional personnel in the Labor Department to police this act. Some argue that we have already a good piece of legislation, which in effect is policing itself.

I myself do not feel that we have done enough, that there is enough protection. I feel the Secretary of Labor should be empowered to act. The amounts involved in these funds may run as high as \$100 billion in the next decade or so. Since this is the case, the national interest would seem to require that we should not take it for granted that the beneficiaries of these plans can be sufficiently protected without amending the law. It is for that reason that I firmly believe we have an obligation to move. I hope we can have a decisive margin in support of this bill when the showdown vote comes.



Mr. ROOSEVELT. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, in expressing my opposition to the legislation contained in H.R. 8723, let me state that in its present form it is a misnomer, in that it is not an amendment of existing statutes, it is a complete rewriting of every section of the bill. I am predicating my opposition to this legislation largely on the testimony produced at the hearings before the Committee on Education and Labor on Tuesday, July 9, 1957, on which the present legislation was based. I refer to the testimony of John L. Lewis, president of the United Mine Workers of America, a trustee and chief executive officer of the welfare and retirement fund of the United Mine Workers.

Mr. Lewis said:

We find ourselves opposed to the plan for the Congress to enact regulatory or punitive legislation affecting welfare funds as established in American industry, more or less in reprisal because dishonest men have committed dishonorable deeds as affecting certain of the welfare funds.

The scandal over welfare funds is not the only sensational incident that has occurred in every social, political, and economic subdivision of our electorate. Virtue does not exist in any one segment of American society; all men are prone to weaknesses at times.

Mr. Lewis further said:

I do not believe that the Republic, through its central powers, can regulate these voluntary associations, either in whole or in part, without of necessity expanding its powers as a central government to the point where it will become a police state, in truth and in fact.

One of our proudest boasts abroad, and much money is spent in promoting this truth, is that our labor unions are free, and that our voluntary associations of citizens are free, in contradistinction to conditions existing in other states which we identify from time to time.

The labor unions in this country are the first line of the Nation's defense in emergency; they are the defenders of our liberties. With their free forums, with their proven loyalty to the principles of the Republic and the defense of the Nation's free institutions, they need some liberty of action and they need to remain free as voluntary associations.

Mr. Lewis continued:

We believe that a representative form of government and its function endure; we have proven that and demonstrated that to the world since 1776.

He continues:

I think the Congress ought to give free enterprise in welfare funds a chance to continue. We extol free enterprise anywhere else. I am for free enterprise in welfare funds. And I recognize that the selection of wise leaders and able counselors and honorable men is just as much an obligation for a welfare fund as it is for the Congress of the United States or the lawmaking bodies of our several States. It is a constant task for the electorate to assume.

Then he added:

To undertake to enact the legislation encompassed in those several bills pending before the committee would, I think, put an undue burden upon the welfare funds, would vastly increase the cost of administration.

I might say he expressed an estimate that it would cost the United Mine Workers welfare fund approximately \$800,000 of additional outlay. He stated that they were reporting to the Internal Revenue Bureau 65,000 different items under the present law and this would probably increase it to as many as 100,000. He thought that that money, amounting to several hundred thousand dollars, would be better used in the welfare fund to pay pensions to miners, to take care of the ill and needy members of the United Mine Workers, than to use it as an additional cost of making reports.

I call attention to one additional expression from Mr. Lewis:

The United Mine Workers welfare fund is not an insurance company, per se. It does not solicit business. It does not compete with existing insurance organizations. It is merely an instrumentality set up by two parties, to wit, the contracting parties, for the mutual benefit of the individuals concerned in that industry.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. ROOSEVELT. Mr. Chairman, I yield to the gentleman 2 additional minutes.

Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield.

Mr. ROOSEVELT. May I point out to the House that the gentleman is talking about testimony in 1957, and this bill was not drawn in 1957. What the gentleman may have felt at that time, we do not know what he would have felt about this bill, because he did not come before the committee. However, he did send two representatives, and I think it is important to note that in that testimony, which you will find on page 146 of the hearings, my colleague, the gentleman from Iowa [Mr. SMITH] asked Mr. Kaplan:

You have no objection to the Mine Workers fund being within the scope of H.R. 8235?

Mr. KAPLAN. Not at all.

All his testimony amounted to was to ask for a clarification of certain sections and to ask for certain limitations, and I think if the gentleman will read the new bill that followed that testimony, that we have pretty well acceded to what the Mine Workers requested.

Mr. BAILEY. Now, since the gentleman was kind enough to yield me time and took all of it, would he mind yielding me another minute to answer?

Mr. ROOSEVELT. I yield the gentleman 1 additional minute, hoping he will express his views in this regard.

Mr. BAILEY. I do not intend to comment on your remarks, but I do want to take the additional time to read into the RECORD a resolution of the United Mine Workers passed on February 2, 1962:

Whereas the United Mine Workers of America have consistently opposed legislation providing oppressive, regulatory and punitive measures affecting welfare funds; and

Whereas there are sufficient laws on the statute books to accomplish the purposes set forth in pending legislation; and

Whereas the United Mine Workers of America Welfare and Retirement Fund and the Anthracite Health and Welfare Fund have from their inception fully disclosed their finances and operations in annual reports, including independent annual audits as now required by law, which they give wide public distribution and through reports submitted as required by law to various agencies of the Federal Government; and

Whereas the only purpose which could be accomplished by additional legislation and Federal intervention, as provided in H.R. 8723, would be to give the Secretary of Labor plenary authority which would result in a heavy financial drain on all welfare funds, and particularly the United Mine Workers of America Welfare and Retirement Fund and the Anthracite Health and Welfare Fund, thereby depriving members of this union from the benefits which would go to them instead of to defraying the cost of punitive requirements imposed by any such legislation: Now, therefore, be it

Resolved, on this 1st day of February, 1962, That the United Mine Workers of America oppose H.R. 8723 as punitive, burdensome and financially oppressive and respectfully urge the Members of Congress to vote against its enactment.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. GOODELL].

Mr. GOODELL. Mr. Chairman, I rise in support of this legislation.

I would like to point out at the outset that on August 29, 1958, President Eisenhower signed the original Welfare and Pension Disclosures Act. He indicated that he approved the act, and I quote "because it establishes a precedent for Federal responsibility in this area. It does little else. If the bill is to be effective at all, it will require extensive amendments at the next session of the Congress."

Now, it was not amended in the next session or the session after that, and it has taken up to this time to put some teeth into this law. I think it is long overdue. I share with many of my colleagues concern over placing too much power in the hands of any bureaucrat, in the hands of any public official, or administrator or whatever other term you may choose, to designate the people who will administer this act. But, I do feel that we must admit that this act needs further teeth; that we need enforcement powers here in order to do the job that was originally conceived.

Now, I would like to clarify for the RECORD several points so we will have a legislative history here that will leave no question in the minds of the administrators as to the limitations on their powers. If I may have the attention of the subcommittee chairman, I would like to ask some specific questions.

I think I know the answers, but I would like to have them clearly in the RECORD. With respect to the bonding provision provided in this act in section 13, is it the intent of the sponsors of the bill that the Secretary, in determining such standards and such bonding amounts, shall act in accordance with the provisions of the Administrative Procedures Act, particularly insofar as notice of hearing must be given to interested parties who shall have an opportunity to present their views and their recommendations to the Secretary?

Mr. ROOSEVELT. I want to say to the gentleman that on page 16, section 15 of the bill, the gentleman will find the following:

Sec. 15. The provisions of the Administrative Procedure Act shall be applicable to this Act.

Therefore, my answer would clearly be "yes"; it applies to the entire act, without exception.

Mr. GOODELL. I thank the gentleman.

Mr. Chairman, a further question: The Senate bill regarding the bonding provision sets a floor under the amount of bond that must be put up, but no ceiling on such bonding.

Would it be the intention of the gentleman, if the gentleman from California [Mr. ROOSEVELT] is a conferee, to stand firm regarding a bonding ceiling in this provision?

Mr. ROOSEVELT. As I am sure the gentleman knows, I believe that the bonding ceiling as we have written it here in our committee is a very important part of that provision, because it gives directives to the Secretary of Labor. If you remove that, as we are told is proposed in the other body, obviously the Secretary then acquires such broad powers that, perhaps, he would not be properly guided by the Congress. I think we should properly guide him where we can. So, I would here on the floor of the House and in conference argue the soundness of our position because I believe in it, that is, if I were appointed to the conference. Of course, I do not know.

Mr. GOODELL. I appreciate the gentleman's comments. May I ask a final and a summary question?

The chairman of the subcommittee and I had pretty much of an exchange and colloquy on the House floor when this bill was before the House last year. I ask the gentleman if he does not agree that my questions and the gentleman's responses as legislative history to this bill are equally applicable today as they were then, and that we both endorse them as such?

Mr. ROOSEVELT. May I ask the gentleman if he would cite the pages of that colloquy in the RECORD?

Mr. GOODELL. I would be very happy to do so. The colloquy appears in volume 107, part 14, pages 18261-18263 of the CONGRESSIONAL RECORD.

Mr. ROOSEVELT. I would say to the gentleman from New York that I had the opportunity earlier this afternoon to reread that colloquy, and I am completely in every way of the same mind as I was then. I stand behind every word of it. I would like to make it the legislative history of this session, and I would propose to the gentleman that he ask unanimous consent that it be quoted in full in order that it be a part of the legislative history at this time.

Mr. GOODELL. I will say to the gentleman from California [Mr. ROOSEVELT] that I shall do this when we are back in the House.

Mr. ROOSEVELT. I thank the gentleman.

Mr. GOODELL. The reason for this somewhat involved exchange I think is

fundamentally important. We have had some testimony before our committee and some indications from various individuals that they would like to start controlling the investment policies of welfare and pension plans, and that it is their intention to move in this direction, to have the Federal Government and the Secretary of Labor ultimately control the investment policies of our welfare and pension plans. It is not our intent. The gentleman from California [Mr. ROOSEVELT] and I made it very clear in our colloquy previously that that was not our intent and it certainly is not written into this bill. We have specifically pointed out that there shall be no powers given to anyone to control any investment policies in these pension and welfare funds. We have limited the power of the Secretary of Labor in a great many ways. The first thing that must be done is that a plan must submit a report. Under present law they might submit a summary of their investment. There were people who wanted the Secretary of Labor to have the power to make the report include all types of investments—how much stock there was in General Motors or General Electric, or any other corporation. We resisted this move. We felt that what was necessary here was a general disclosure of the broad category of investments.

Only if the Secretary of Labor found reasonable cause to believe there was a violation of this act could he proceed further. In receiving these reports, which are in summary form, listing broad categories of investments, if the Secretary feels there is reasonable cause to believe that there is a violation of this act he must then require that those reports be sworn to and certified. In other words, if he does not believe the report, his first step, his first required step is to insist that it be certified by a CPA. Then when he receives the CPA certification he must again look at it and determine whether there is still reasonable cause to believe that there is a violation here. At that stage he may investigate further and require the production of other documents to prove the contentions that are made by the administrators of the plan in the report. I think this is very important. I think it is a guarantee that the Secretary cannot exceed the authority which this Congress wishes to give him and which we feel is necessary to guarantee the sanctity of these funds.

If we insist that giving any authority to the Secretary in this respect is going too far, then we are in effect saying that these administrators of plans should make no real disclosure, that there should be no control over them whatsoever as to abuses, that there should be no power to insist upon disclosure to the beneficiaries of these funds of the broad categories of investment involved in these funds.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman.

Mr. AVERY. I think the gentleman has come to the very crux of this bill. I would like to ask him for my own information what further burden then is

imposed upon the reporting source at this point. As I understand the gentleman, the Secretary of Labor may make this determination after certification by an accountant or other accredited examiner; and then if he is not entirely satisfied with what he has found on the basis of this examiner's report, he may determine that a further investigation is necessary. Will all of the administrative and other costs be borne by the Secretary of Labor at that point or will that impose an additional burden upon the union or upon management or whoever may be the custodian of this fund?

Mr. GOODELL. The additional burden will fall upon both parties in this respect. The Secretary of Labor, if he does at this point feel that there is reasonable cause to believe that there is a violation of this act—and I would distinguish my present words from the words of my esteemed colleague from Kansas as to the Secretary not being satisfied with what he has received; he must have reasonable cause to believe there is a violation of this act when he finally decides to go further. Then at that point, and only then, he has the power to subpoena records and go in and investigate the funds to verify the accuracy of the reports that have been filed with him. The only other thing he may investigate is to see if one of the crimes listed here has been committed—embezzlement, false statement of some kind, or theft.

Mr. AVERY. Mr. Chairman, if the gentleman will yield for one more question: Other than the supplying of records and other data that might be required by the Secretary and furnishing other such testimony that he may require, no further burden would fall upon the management of the fund?

Mr. GOODELL. That is correct. Also I am supporting amendments which will give the Secretary discretion to make a simplified report acceptable for a number of plans where it would be unduly burdensome to require a full report. This goes along the lines of the Landrum-Griffin exemption providing that a simplified report would be satisfactory in such instances.

I might say further to the gentleman and to the chairman of the subcommittee that last year at the conclusion of my remarks I asked the gentleman from California about three amendments that had been adopted in the Senate committee, and he indicated at that time that he hoped that they would be agreed to in the conference.

I would like to go back to this point because one of those amendments was the discretionary power in the Secretary of Labor to allow simplified reports where it would be unduly burdensome to require full reports. Another one was to exempt plans covering 100 or fewer participants. Finally, a third provision was to require from the Secretary of Labor full annual reports on this program. I ask the gentleman from California if his sentiments in that respect have changed since September.

Mr. ROOSEVELT. I would have to say to the gentleman until I have had a chance, of course, to look at the wording of the amendments in the other



body, which have not passed yet, I would hesitate to commit myself to any specific amendment. I would in principle have to say my sentiments are pretty much the same with the exception of reducing it from 25 to 100 because there is, I think, additional information I would want to look at very carefully before agreeing to that. However, the basic principle involved in the other two, I think are adequate and on the basis of information I now have, I would be inclined to think the subject of reducing that coverage to 100 employees is a subject we ought to go into very carefully.

Mr. GOODELL. I thank the gentleman. I urge my colleagues to vote for the amendments which will be offered by me and others of my colleagues to tighten up this bill even further, but in any event to vote for this legislation as being very necessary and worthy.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, at the outset I want to commend the gentleman for the fine statement he has made here today. The gentleman from West Virginia referred to John L. Lewis saying this was not an insurance policy but that this was an agreement between two individuals and, therefore, there was no need for the law. Is this not the reason we need a strong law, because this is not an insurance policy or an insurance company and, therefore, it is not regulated by the State or by the Federal Government, and the law needs some teeth in it so that we can regulate these things and keep a jaundiced eye upon the administrators and trustees of the fund?

Mr. GOODELL. I agree with the gentleman that for the most part the States do not regulate these plans and that they do need regulation along the lines provided in this bill for that very reason.

Mr. GOODELL. Mr. Speaker, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from New York.

Mr. GOODELL. The gentleman is correct, and I think this is very clearly stated in the report. The whole record indicates that there was no intent here to have him have any say whatsoever about where these funds are invested. This is a disclosure act. It is to make sure that the investments are disclosed through the Secretary of Labor, and that is all.

Mr. ROOSEVELT. I thank the gentleman.

Mr. BAILEY. Mr. Speaker, if the gentleman will yield for one more question, was the action of the committee in any way indicated by advising these people who had testified of the changes made in the original bill as introduced?

Mr. ROOSEVELT. We made it known to every witness that the so-called blue sheet, describing the bill, would be available and was available. However, as far as I know, we did not send it to anybody who did not ask for it.

Mr. BAILEY. I thank the gentleman. I will not impose any more on your time.

Mr. ROOSEVELT. I thank the gentleman.

Mr. GOODELL. Mr. Speaker, if the gentleman will yield further, you mentioned the question of reasonable cause. I would be glad to have you explain that if you have sufficient time. I think that is a very vital

part of this bill, and I would like to have it clarified. May I proceed now?

Mr. ROOSEVELT. Please.

Mr. GOODELL. Under 7(b) reports, as I understand, these are the annual reports that must be filed. Now, they may be sworn to but not necessarily certified by an accountant of some kind. It is my understanding that the Secretary of Labor, if he finds reasonable cause to believe there is something wrong with the annual report, must find that reasonable cause exists before he does anything, and he may then require the report to be certified; is that correct?

Mr. ROOSEVELT. That is absolutely correct.

Mr. GOODELL. He must have it certified before he takes any other action?

Mr. ROOSEVELT. If the report has not been certified, he must do that before he can make any investigation.

Mr. GOODELL. Going further, assuming that a report is filed and then the Secretary of Labor requires it be certified, if the Secretary of Labor then wants to subpoena any documents, I understand, it is provided in section 9(e); he still, at that stage, must have a continuing reason, reasonable cause, to believe there is a violation; is that correct?

Mr. ROOSEVELT. That is correct, sir, and anybody would have that defense if he believed he did not so have reasonable cause.

Mr. GOODELL. On page 19 of the report, which is the text of the bill, there is the section giving the Secretary of Labor the power under sections 6 and 7 to require the filing in such form and detail as the Secretary shall by regulation prescribe. I would just like to clarify that by saying that this also requires that the Secretary make a determination that there is reasonable cause to believe there has been a violation before he makes this requirement upon the plan concerned.

Mr. ROOSEVELT. The gentleman is correct; and, if the gentleman will permit—and again it is suggestion—we wrote in the specifics of what could be required in any report in order again not to allow the Secretary to ask for extraneous matter.

Mr. GOODELL. The gentleman realizes I am asking these questions to establish a bona fide unquestionable legislative history as to what the Secretary's powers are. I appreciate the gentleman's yielding. These are mostly amendments I proposed in the subcommittee.

One other question: In the bill there is a provision giving the Secretary—it is on page 21 of the report:

"The Secretary when he has determined that an investigation is necessary in accordance with section 9(d) of this act may require the filing of supporting schedules of assets and liabilities."

Once again, this power in the Secretary's hands can be exercised only upon a determination that there is reasonable cause to believe a violation has occurred.

Mr. ROOSEVELT. The gentleman is correct; and we wrote it in there so there could be no misunderstanding on that point.

Mr. GOODELL. I appreciate the gentleman's responses and thank him.

Mr. ROOSEVELT. May I just say in the very few seconds I have left, that I will put into the Record a rather detailed description of the need. The immediate need arises largely from the New York law which covers 3,500 out of 17,000 cases and shows very clearly that there is an immediate need to protect these plans. I would refer to testimony before the subcommittee where facts show that in New York, which has a disclosure law, with the right of investigation, an examination of a welfare fund was begun on September 4, 1958. Subsequently, the fund bookkeeper was convicted on February 26, 1959, of grand larceny first degree. On March 4, 1960, she received a suspended sentence with

probation. The union president and a fund trustee also were indicted on November 19, 1959, in connection with the receipt of payments and loans from the welfare fund. On November 18, 1960, he received a \$500 fine or a 30-day jail sentence, and both of these persons are no longer connected with the fund.

An examination of the reports filed with the Labor Department was made, and on their face, disclosed no information which would indicate larceny, forgery, or illegal loans. It was disclosed, however, that the report was verified by the administrator only of the fund, who was an employee of the fund, whereas regulations request that each member of the board of trustees attest to the D-1 report. Not only that, but there was a discrepancy in the figures on the reporting D-2 form. At one place, employer contributions were listed as \$43,775; whereas in another place, contributions were put at \$33,509.12.

I emphasize to the Members, that under present law, the Department has no right to inquire into these matters.

Another case investigated by the New York authorities, disclosed withdrawal of welfare funds, for the benefit of certain trustees and union officials. The grand jury on June 29, 1959, indicted the trustees on two counts, grand larceny, first degree, and forgery in the third degree.

An investigation of filings with the Labor Department disclosed no plan descriptions or annual reports made by this fund. Subsequent investigation has revealed some question concerning coverage of the Federal law of this plan.

The basic point in all this, is that even where the right of investigation is provided, abuses of the trust relationship continue to be uncovered. Under the present Federal law, there is no right of investigation, no protection for these 80 million participants, and their interests in this \$50 billion in assets in these plans.

An analogy would be the provisions in Landrum-Griffin, dealing with unlawful trusteeships in title III, but providing no investigatory right to the Secretary; or those provisions relating to union elections.

The realistic fact, of course, is, as every single Member of this House knows, filing reports with the Department, without the right to make sure that the reports are accurate and honest, is an empty protection to the participants of these plans and to the public; or as former Secretary of Labor Mitchell stated, a "shameful illusion."

I would also note that those who say the aim of the bill is to control or regulate these plans, ignore the plain facts of the record. The bill itself in section 9(h) clearly states that nothing in the law shall authorize the Secretary to regulate, or interfere in the management of, any of these plans. The committee report on page 9 reiterates this clear statement of intention. And the Secretary himself in his testimony stated on page 18 of the printed record that:

"It is not the desire or the reach of this proposal to subject these plans to Federal control. These proposals have a very simple objective and that is to make known to the beneficiaries of these plans and to the public what the contents of these plans are and to give the Secretary the necessary authority to investigate the reports that the statute calls for."

I note that under the Landrum-Griffin law, the Secretary is given authority, but I don't recall the argument that he therefore, would be able to control or regulate union internal processes and business, or that of employers or labor relations consultants.

Similarly, the contention that these amendments would require a staff of 8,550 people and \$45 million, is another illustra-

tion of flagrant disregard for the facts. The Secretary plainly testified an appropriation of \$2,500,000 and a total staff of 290 would be adequate. I am now advised that because of the amendments made by the committee, the actual budget would be reduced to \$1,500,000 and a total staff of 171—only 86 more than the present staff.

With respect to use of departmental forms, I have here two examples of reports received by the Department, and note that on the first there is no information filled in concerning the date of the plan year ending; or when the annual report is due; what kind of plan it is; or who is the administrator.

Looking at the second form, there is no information showing how the plan is financed; how much money goes into the plan; or even how many employees are covered by the plan.

The argument, therefore, that most plans use the Department forms, becomes meaningless, unless the information requested by the form is given; and the Department has the right to make sure that the information is accurate and honest.

Further along this line, the testimony before the subcommittee showed that over 12 percent of the forms received by the Department of Labor had deficiencies on their face; that is, there were omissions of such critical information as the name of the plan administrator, what type of workers were covered and information indicating when the annual report should be filed. As a matter of fact, a considerable number of reports were not even signed by the plan administrator and many others were not sworn to as required by the legislation.

In conclusion I would refer the Members to an editorial in the Washington Daily News, of May 26, 1961, dealing with the need for this legislation. It stated:

#### "TEETH FOR PENSION FUND LAW"

"Scandalous abuses of union pension funds, as revealed by the McClellan committee, inspired passage of a sham law which provides no real protection.

"Labor Secretary Goldberg used strong but well-justified language this week in discussing this law before a committee of Congress.

"It is, he said, confusing, toothless and widely ignored. It is a betrayal of the 85 to 100 million Americans who have money estimated at nearly \$50 billion in these funds.

"He considers it likely that many of the abuses discovered before passage of the law, 2 years ago, still are taking place.

"Mr. Goldberg thus backs the criticism of President Eisenhower, when he signed the act, and of his Labor Secretary, James P. Mitchell.

"The law requires pension fund administrators to file reports showing sources of the funds and their uses; but the process stops there. The Labor Department, which receives the reports, can't do anything much about them. There are no effective criminal penalties in the law for such things as embezzlement and kickbacks.

"What Mr. Goldberg wants is power to subpoena witnesses and seek injunctions to compel compliance with honest standards. For embezzlement he would fix a Federal penalty of \$10,000 fine and 5 years imprisonment.

"These provisions—or even stiffer—should have been in the original law. Congress should not wait to act until there are new revelations of callous theft and misuse of these funds, accumulated from the dues of union members."

Mr. HESTAND. Mr. Speaker, I yield 4 minutes to the gentleman from New York, Mr. GOODELL, a member of the committee.

Mr. GOODELL. Mr. Speaker, I rise in favor of this bill. I will try to clarify some further points with reference to its provisions.

I would like to point out first of all that the original Welfare Pension Plan Disclosure Act was passed in 1958. When President Eisenhower signed the bill, which was cut back considerably here in Congress, he made this statement. It was on August 29, 1958. He said he was approving the act, and I quote:

"Because it establishes a precedent for Federal responsibility in this area. It does little else. If the bill is to be at all effective, it will require extensive amendment at the next session of Congress."

It was not amended in the next session; it has gone to this time to be amended and have some teeth put into it so that the Secretary of Labor may require those who are administering the pension and welfare plans to file a report with him to make the disclosures. We wrote a provision in here that the Secretary of Labor may not use this subpoena power or investigatory power without first having reasonable cause to believe there had been a violation. The violation is that they refuse to disclose in what categories their funds are invested.

We went further and wrote in a limitation in this bill that the Secretary could not explore the types of stock, the types of bonds, the kind of companies these funds are invested in except on reasonable cause to believe that the original filing was inaccurate. That means that the filing which is called for here is to inform beneficiaries of pension and welfare plans: How much money do you have invested in Government bonds? How much in corporate bonds? How much in common stocks? How much in preferred stocks? How much in real estate? The general categories are written right into the act to be sure that that is the power of the Secretary of Labor and no more. Then if the Secretary of Labor has reasonable cause to believe that that company is inaccurate in its report and has thus violated the law, then and only then may he request a filing of a full schedule of assets and liabilities in regard to the pension or welfare plan.

May I ask the gentleman from California if he will not confirm what I have said in this respect?

Mr. ROOSEVELT. Not only can I confirm it but I can specify exactly where it is. It is on page 5, line 17, where it is clearly stated:

"The Secretary, when he has determined that an investigation is necessary in accordance with section 9(d) of this Act, may require the filing of supporting schedules of assets and liabilities."

Mr. GOODELL. One other point. In the early stages there was some suspicion that this was an attempt to control the investment of these funds, that maybe the Secretary of Labor or somebody else wants to tell the administrators where they can invest funds. Some union leaders appear to have such an objective, particularly one Mr. Carey, who was quoted in a newspaper as saying:

"It is our belief that the nature of the pension funds may yet require the establishment of rules by the Congress to govern the way such money is invested."

Does not the gentleman from California agree that we wrote specifically and clearly in this legislation that there is no power anywhere for anybody to tell the Administrator where he may invest these funds?

Mr. ROOSEVELT. May I read from page 8, line 19, where it is stated:

"Nothing contained in this Act shall be so construed or applied as to authorize the Secretary to regulate, or interfere in the management of, any employee welfare or pension benefit plan."

Mr. GOODELL. I have one other question. The Senate has passed a bill in this matter and its bill is generally more favorable and more liberal in this respect than the bill

that is now before us. The Senate made three major additions to this bill. One, they have exempted plans covering 100 or fewer employees, except under unusual circumstances. This will eliminate the filing of a great number of plans, and it will reduce the administrative burden considerably.

Another is to give the Secretary discretion to allow simplified reports where a detailed report would be unduly burdensome. This is in the same tradition as the Landrum-Griffin Act where a similar provision was made to cut down burdensome details. Is that correct, may I ask the gentleman from California? The Senate bill also would require full annual reports by the Secretary of Labor to the Congress. Does the gentleman have any comment on these amendments?

Mr. ROOSEVELT. If the Speaker would appoint me to the conference committee, I will join with my friends in hoping we can agree to those amendments.

Mr. ROOSEVELT. Mr. Chairman, I yield 10 minutes to the distinguished author of the bill, the gentleman from Iowa [Mr. SMITH].

Mr. SMITH of Iowa. Mr. Chairman, I want first of all to thank the chairman of the committee for permitting me to offer this bill in which I am very interested and the chairman of the subcommittee for the very good and conscientious work he has done in this area, and also the members on both sides of the committee who have been so considerate in this matter.

Mr. Chairman, I think this is a very important bill. I would like, first of all, to make a few brief remarks with respect to some statements that have been made on the floor. The statement has been made, to the effect that this bill will create an undue burden on these administrators to file new reports. There is nothing required to be filed as a result of this bill that any good administrator would not file anyway. So if anyone is going to find any additional burden, it will be someone who is not doing the job they ought to be doing today. Others are already filing this kind of report. With regard to the Internal Revenue having some provisions to control these funds, I was interested in that because I happened to have been the attorney to set up several of these funds as the result of labor-management agreements wherein they agreed to such a fund. The Internal Revenue Department does require certain requirements to be met. For example, that none of the income, or none of the corpus of the trust shall ever revert to the employer and that there shall be a determinable amount available on a periodic basis for benefits and that there must be an actuarial evaluation from time to time to show that to be a fact. However, this does not in any way cover what we are trying to cover in this bill, and the protection we are trying to get at in this bill.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from West Virginia.

Mr. BAILEY. In regard to this welfare fund of the United Mine Workers, they already report to the Bureau of Internal Revenue on 65,000 items or individuals, and this would require 100,000



additional to be covered. Do you think, since they have an independent audit by certified public accountants, that it is necessary that they give this additional information?

Mr. SMITH of Iowa. If they have all that, all they have to do is to take a copy of that audit down to the Department and deposit it, and it need not be any great burden.

Mr. BAILEY. They have to give more details and it would require 100,000 additional items to be covered.

Mr. SMITH of Iowa. They only need file in summary—this is right in the bill.

If they have what you say they have, all they have to do is to go down to the Department and file a copy of it. That would place no great burden on them. If they do not have such information they ought to have it. That is the purpose of this bill.

I think I should point out that the Internal Revenue law does not cover all we are covering in this bill at all. All it does really is to prescribe that unless the employer meets certain conditions he cannot take off as a business expense the cost of such a plan. It does not attempt to do what we are doing in this legislation. Some have said some people want to regulate these funds. I think this is true, but I would like to read to you a little bit from a report. Let me first mention some names to show you the character of the people who issued this report. It is a report of the Commission on Money and Credit. There are Frazar B. Wilde, chairman, Connecticut General Life Insurance Co.; James B. Black, chairman of the board, Pacific Gas & Electric Co.; Marriner S. Eccles, chairman of the board, First Security Corp.; Fred T. Greene, president, Federal Home Loan Bank of Indianapolis; David Rockefeller, president, the Chase Manhattan Bank; Charles B. Shuman, president, American Farm Bureau Federation; and Jesse W. Tapp, chairman of the board, Bank of America.

The report by the commission of which they are members said:

The underlying premise of the Federal Welfare and Pension Plans Disclosure Act of 1958 is that the individual participant in the pension plan is expected to detect maladministration and invoke legal remedies to protect his own interest, whereas experience has shown that employee suits alone are inadequate as enforcement remedies.

The Commission recommends that an appropriate regulatory body should be given added responsibilities over private corporate pension funds. These responsibilities should include the power: (1) to study and develop appropriate standards of prudence in investment of the funds; (2) to enforce such standards; (3) to assure periodic disclosure to beneficiaries of the financial statements of the fund; and (4) to bring suit against malfeasors on behalf of the plan participants and their beneficiaries.

Let me point out to you that they ask for regulation. We take a more conservative approach than that in this bill. It is true, as the gentleman from New York said, that we are not trying to regulate in this bill. We are not going as far as this Commission wanted us to go.

The question raised here is what happens to these funds. It has been said that both the employer and employee group ought to be able to take care of their own funds. I point out to you that when these funds are set aside they become trust funds and do not belong to either the employer or the union any more, but create a fund out of which the beneficiaries may expect to supplement the aid that comes to them from social security. The employees are entitled to know what is happening to or has happened to these funds, just where the funds are at the present time, what interest or return the funds are earning, what is going out of the fund, and to assure that such information is available is the purpose of this legislation. So I do not think it is too much to expect that this kind of law will be passed. Those who have nothing to hide will go ahead and file these reports, and they have been, as a matter of fact; but those who have something to hide are unwilling to file these reports. So we want to put teeth into this toothless wonder. I think it is a good law and urge its adoption.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield.

Mr. JONAS. I wish the gentleman would comment on the cost of additional overhead in the Department of Labor that would be involved in policing these funds. How many reports is it contemplated will be filed?

Mr. SMITH of Iowa. About 150,000.

Mr. JONAS. Of course, the mere filing them away down there will not accomplish anything.

They will have to be examined, analyzed, and scrutinized and somebody will have to determine that some require attention and others may not. What does the committee study show with respect to cost?

Mr. SMITH of Iowa. It shows that at the present time we are spending \$500,000 and that amount, in fact, is being wasted, that we should either repeal the law or we should pass some amendments here to make it effective. It shows 180 employees to be added which would mean an expense of about \$1½ million. We are wasting a half million dollars at present or we can by adding \$1½ million and really do some good.

Mr. JONAS. The committee thinks it would take an additional 180 employees?

Mr. SMITH of Iowa. Yes. I might point out that in setting up an operation like this they have to have higher paid employees. That is on the management end of it. But that is already there. The reason the additional cost is so low in comparison to the number of new employees is that these will largely be clerical help and would permit the present employees to better act as management.

Mr. JONAS. I wish there were some way we could screen out the plans that are known to be properly managed and not have to encumber the record of the Department of Labor so as not to require a lot of handling of plans that are in

proper order and do not need attention. I assume the subcommittee went into that and somebody would know of the plans that would not require examination because they are in good shape.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from California.

Mr. ROOSEVELT. May I say to my good friend, as the bill is written there does not have to be a completely new plan filed every year. If it is the same plan the only thing that has to be filed are any changes in the plan which have to be filed in 120 days. What it affects are reports on the status of the investment under the plan so that the information may be public. The other parts will require little additional expense.

The committee did ask, not on its own responsibility, but we asked the Secretary to tell us precisely the number of additional employees and the amount that would be asked of the Appropriations Committee. I assume that the Appropriations Committee would on that basis hold him to his statements made to our committee.

Mr. SMITH of Iowa. Mr. Chairman, this is a right-to-know law. The billions of dollars involved belong to employees and represent deferred income. The employer could not have deducted them as a business expense unless they were in fact deferred income—yet the evidence is that some have been milked by or through administrators. This bill is needed so employees can know whether their deferred income is being milked and to provide bonding requirements to assure that the funds will be made whole if embezzled or stolen.

I am sure that in this field, we all start from the same point of view. We all believe that employee benefit plans should be financially sound, honestly administered and adequately safeguarded so that beneficiaries will receive the benefits to which they are entitled.

We are also most anxious to prevent abuses which threaten the financial integrity of these funds. Embezzlement, larceny, bribery as well as any maladministration of these funds, not only unjustly destroys the rights and interests of beneficiaries but strikes a blow at the well-being of our economy. These beneficiaries depend upon getting the pension to be provided by these funds to supplement their social security.

We, therefore, start from the premise that disclosure of information concerning these funds is of fundamental importance. If we have effective disclosure, it will be exceedingly difficult for unscrupulous men to formulate, execute and conceal abuses. Furthermore, beneficiaries as well as the public will be able to learn more about how these funds operate and are administered. This is absolutely vital if beneficiaries and the general public are to possess intelligent and discriminating attitudes regarding these funds.

Basically, this is what Congress tried to do when it passed the Welfare and Pension Plans Disclosure Act in 1958.

Unfortunately, it passed a bill which has been universally recognized as "toothless." H.R. 8723 is the latest in a series of proposals which began almost immediately after the act was passed. It attempts to restore the machinery that was left out in 1958—machinery which will effectively carry out the disclosure concept and which will deter wrongdoing in benefit plans and put teeth into the toothless wonder that is now on the books.

I would like to briefly describe what are the important elements of this machinery.

First, H.R. 8723 expressly confers upon the Secretary of Labor the power to provide interpretations so that the people who handle these funds and are affected by this law can get precise guidance as to their obligations. There is no such provision in the law today and, as a result, unnecessary confusion regarding the scope and meaning of some of the more important provisions of the law has occurred. It is also proposed that plan administrators and others affected by the act would be permitted to place full reliance upon the opinions and report forms of the Secretary of Labor. This reliance would establish a good faith defense and would protect any plan administrator or other person affected by the act from any liability or punishment for any actions in question even though these actions are later determined not to have been in conformity with the act.

This proposal is an eminently sensible rule and is the type of proposal which could well be provided in numerous other Federal statutes which require administration by a Federal agency.

Next, the enforcement deficiencies in the act would be cured. A strictly defined investigatory power would be conferred upon the Secretary of Labor, including appropriate subpoena power, as well as the authority to institute injunctions restraining violations of the act. It is virtually certain that without this sort of authority the disclosure concept cannot be made effective. Under the present law, the good administrators tend to file good reports while those with something to hide either do not file or file in a form that reveals very little or in fact hides important facts.

These powers are set up in such a way that the Secretary is precluded from regulating the operations of benefits plans. I should like to emphasize this point because there has been a great deal of loose talk about this bill being an attempt to regulate these funds and the insurance industry. I want to assure this Committee that anyone who reads these proposals will see immediately that this is not the case and that any talk about this bill attempting to regulate benefit plans is simply not true.

The bill also makes embezzlement, kickbacks, bribery, and looting from these funds Federal felonies. These were the very abuses which initiated legislative action in this field and yet, as the law stands now, none of these flagrant abuses are Federal crimes. These provisions were drafted with the aid of

the Department of Justice and they reflect that Department's long experience in dealing with criminal activities. Most State authorities just do not have the resources to carry on investigations and other criminal enforcement activities which are necessary to protect beneficiaries from being victimized.

Also, I should like to point out that many State laws were not drafted to deal with the type of plans covered by the Federal law. They were based on common law concepts and experience and were not specifically geared to the new and dynamic developments that have taken place in the welfare and pension fund area.

Consistent with the idea of protecting the financial integrity of these funds, the bill provides for the bonding of administrators, officers, and employees who handle the funds or the property of the funds. You have heard this bonding provision described in great detail, and I do not intend to repeat what has been previously said. Suffice it to say, however, that this bonding provision is fair and moderate, and that it is based upon the best experience that could be mustered in this area.

These then are the principal improvements recommended by the Labor Committee and embodied in H.R. 8723. They are concrete proposals with no frills attached and are based upon specific experience under the law.

I urge passage of this bill.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Chairman, I find myself in opposition to this bill for numerous reasons. In these few moments I want to pinpoint two specific areas where I think we should look a little closer. It has been referred to time and time again that the so-called Landrum-Griffin bill needs teeth. I am going to point out an area where we see the proponents of this bill moving in the opposite direction.

Section 13(a) of the bill states:

Such bond or other security or insurance shall provide protection to the plan against loss by reason of acts of fraud or dishonesty on the part of any administrator, officer, or employee of such plan, directly or through connivance with others.

Section 13(d) of the same bill provides:

Nothing in any other provision of law shall require any person, required to be bonded as provided in subsection (a) because he handles funds or other property of an employee welfare benefit plan or of an employee pension benefit plan, to be bonded insofar as the handling by such person of the funds or other property of such plan is concerned.

What we are saying in effect in section 13 is if you comply with the bonding provisions of this bill you will have relief from bonding provisions which otherwise might be imposed on you as administrator or employee under any other law. This is rather interesting.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from California.

Mr. ROOSEVELT. I will be glad to discuss this later, but let me say at the present time the gentleman's interpretation is quite wrong. We very carefully asked committee counsel, because the gentleman debated this issue on the air the other day and he made that statement. It disturbed me very much. So I asked the General Counsel whether he would not carefully examine and see whether the gentleman is right. I think I can make the statement that the gentleman is not right and I do not think there is any question but what after he hears the statement he will not feel as he does now.

Mr. ASHBROOK. Let me proceed with what I have to say, then the gentleman can answer it if he sees fit.

Let us ask this question as a practical matter. If this were the case, as the gentleman from California points out, Why would you be relaxing the safeguards of the Landrum-Griffin Act? Why would you in section 13 of this bill provide for bonding provisions which, when satisfied, relieve a person from those which were set up in 1959?

If the gentleman from California is correct and if you do not want to upset what is under the Landrum-Griffin Act, why not say so? Here you say if you comply with 13(d) you do not have to comply with any other section. I think if you look at the two bonding provisions, you will get some indication why.

Section 502(a) of the Landrum-Griffin Act provides:

Every officer, agent, shop steward, or other representative or employee of any labor organization (other than a labor organization whose property and annual financial receipts do not exceed \$5,000 in value), or of a trust in which a labor organization is interested, who handles funds or other property thereof shall be bonded for the faithful discharge of his duties.

I think herein we see the difference. The bonding requirements of the Landrum-Griffin Act are extremely stringent compared to the bonding requirements of this act, so I think that is why we are saying in 13(d) if you comply with the bonding requirements of this act, you are relieved from the requirements of any other act. And, if the gentleman from California is correct, we should reverse it. We should say if you comply with any other act, you need not comply here, because people who might not be able to comply with the Landrum-Griffin Act would find it relatively easy to comply with section 13. Of course, it will be said that the bonding provisions of the Landrum-Griffin Act are too stringent, but everything that has been said up to now is that we need more stringent laws; that we must have these immense funds directly controlled.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. The Landrum-Griffin Act does not begin to cover all of



the people we cover here under this bonding provision. What we are doing here is protecting all the funds, not one-fourth of them, so really this law is much more inclusive.

Mr. ASHBROOK. You are extending to more people less stringent provisions.

Mr. SMITH of Iowa. It goes up to \$500,000. What we really want to do is to protect the corpus of the fund, and wherein in this bill do we not protect the fund?

Mr. ASHBROOK. Why do we circumvent the provisions of the Landrum-Griffin Act that call for the faithful discharge of their duties?

Mr. SMITH of Iowa. These requirements were very carefully worked out with people in the insurance industry and people who understand this, and they say this bill covers any possibility of embezzlement or anything like that.

Mr. ASHBROOK. I raise these points because I think they should be answered. If the gentleman from California could answer, I would gladly yield to him.

Mr. ROOSEVELT. I would like to point out that as far as handling pension and welfare funds only is concerned, this act does exempt persons from the duplicate obligation to be bonded insofar as the same funds are concerned under the Landrum-Griffin Act. Thus it treats the employers and the union officials alike and does not require bonding union officials only, as is required under the Landrum-Griffin Act. Insofar as union dues and any other moneys going into union hands are concerned, this does not relieve the union officials of any of their previous obligations to be bonded as required by the Landrum-Griffin Act. In other words, no racketeers who handle union money are in any way relieved from any previous obligation, but the difference is that all persons who handle pension and welfare funds, union and management alike, are under the same obligation with respect to this act in the handling of pension and welfare funds.

Mr. ASHBROOK. The gentleman is exactly correct when he states that it would require both the employee and the employer to be bonded, but why should we relax the situation with respect to the section 502(a) requirement?

Mr. ROOSEVELT. We are only saying that insofar as the pension and welfare funds are concerned, in order to really get at the way in which they can be bonded. The insurance company people, the management people, and the labor people all said this was the only language which could be effective and could be written by the insurance companies.

The way it was written in the Landrum-Griffin Act, it would make it impossible to get the kind of a bond that would go to the purpose of the pension and welfare funds. Therefore we got a committee together and it was set up, and they came back with unanimous agreement. I think when we make sure that in no other way does it relieve anybody under the Landrum-Griffin Act

specifically as to the handling of pension and welfare funds, I think the gentleman will find it does not have the horrible implications which the gentleman seems to think it has.

Mr. ASHBROOK. The gentleman said it would be impossible. Is he saying, therefore, that the provisions of the Landrum-Griffin Act are too stringent?

Mr. ROOSEVELT. Not for the specific purpose for which they are written; no. We do not change that. But, it was clearly obvious, and the insurance people said that it would not be writable or effective if they were applied to pension and welfare funds. They did not go into that. Therefore, if we wanted to write an effective bonding provision for pension and welfare funds we had better set up something that could be enforced. That was the reason this language was written.

Mr. ASHBROOK. The gentleman will certainly agree that a person who might not be able to meet the requirements of section 502(a) of the Landrum-Griffin Act will be able in many cases to meet the requirements of section 13 of this act?

Mr. ROOSEVELT. No; I would not agree with that at all, because if he could not meet those other requirements and were not bondable at all he simply is not going to meet these requirements and be bondable either. He is going to be unbondable, and he would have to be denied the right to handle these funds.

Mr. ASHBROOK. I would suggest that that is the point on which I would not agree with the gentleman from California. I think the point I am making is whether section 13(d) is going to supersede the Landrum-Griffin Act. It is interesting to note that the only other provision requiring an employee to handle pension funds to be bonded is in the Landrum-Griffin Act. If this is the case, why not have it the other way around, and say if they have been covered previously it is not necessary to be covered here, rather than making it the opposite? I suggest it is done to soften the requirement of the 1959 legislation and make it easier to become bonded.

Mr. ROOSEVELT. I will have to say to the gentleman that everybody that had anything to do with this, including the Department of Labor, said that they had had so much trouble with that and it became so difficult to enforce with any possible respect to pension and welfare funds, if you want to be sure everybody is covered across the board, you had better write it this way or you will not reach everybody. This committee wanted to be sure that it did not leave anybody unbonded against the various things that have been enumerated, and we wrote it this way.

Mr. Chairman, may I inquire of the gentleman on the other side [Mr. FRELINGHUYSEN], whether he has any more requests for time?

Mr. FRELINGHUYSEN. Mr. Chairman, we have one more speaker. I yield 5 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Chairman, I was rather shocked in listening

to the colloquy between the gentleman from Massachusetts [Mr. KEITH] and the chairman of the subcommittee, the gentleman from California [Mr. ROOSEVELT], when they were discussing the aspects of the internal revenue laws as they concern these particular plans. Having reviewed the committee report and finding no reference at all to the internal revenue codes as they pertain to this, and then searching through the committee hearings to find out if they thought, maybe, it might be wise to get some information from the Bureau of Internal Revenue, I find they did not do that. Then, searching still further to see if there were not some testimony on the basic aspects of these plans, which is the Internal Revenue Code, I find indeed there is some evidence which apparently the subcommittee and the committee just completely ignored.

Mr. Chairman, on page 433, and then again on page 434, running to page 438, are two letters, both of them from the American Bankers Association, calling to the subcommittee's attention the basic facts in regard to the bulk of the pension and welfare funds.

Let me read just a little bit from it. First of all, they point out the distinction between the two types of plans. One is the welfare plan, which comes under one section of the Internal Revenue Code, 401(a). The other is, the pension plan which comes under 404. Practically none of the welfare plans are qualified tax plans. The bulk of the pension plans are qualified tax plans.

The amounts of money involved are very interesting. The great bulk in number of plans lies in the welfare field, of which only a few are tax qualified. It is the 36,600 plans which have nearly \$30 billion of assets and are receiving nearly \$4 billion in annual contributions that are under this, and if one will study the Internal Revenue Code and read what the bankers have told the committee about this they will find that the regulations of these tax-qualified programs are very strict, go away beyond anything this bill attempts to do.

The bankers have suggested that this big area be left out of this bill. They point out, among other things, that they had previously expressed the point that these tax-approved plans have no question of violation and then they go on to say "that our reasoning was correct"—and this was after the 1958 code—"and that our recommendations are sound is confirmed by the fact that no abuses in tax-approved plans were reported up to that time nor have any of them been reported since then. All reported abuses have occurred in welfare plans which were not qualified under the Internal Revenue Code."

I wish the Committee would read this letter and find out just what are the requirements under the Internal Revenue Code. The penalties are these. If you fail to file annually and in detail you lose your tax-exempt status. And I can assure you that that is a discipline that is very important. One reason why I am particularly interested in this, is that I am a member of the Committee on Ways

and Means; but I had called to my attention—and I am going to introduce a bill either tomorrow or the next day—that the pension plans do not permit putting health insurance, prepaid health insurance into those pension plans for their people when they retire. And the reason they cannot do it is that they will lose their tax-exempt status. I am anxious to see that amended so that they can do that, because immediately millions of Americans would be covered by health insurance in their retirement if we approve this little amendment.

But note why they have not done it. They lose their tax-exempt status if they do put their funds into such a very desirable program.

Mr. Chairman, I am going to urge seriously that this Committee either send the bill back to committee or at least accept an amendment that would eliminate these tax-exempt plans, because it is just going to add a lot of unnecessary cost, and the present regulations of the Bureau of Internal Revenue certainly police them away beyond anything in this bill.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman.

Mr. JONAS. I was going to ask the gentleman from Missouri if he would confirm the statement made by Mr. Bronston, chairman of the committee on employees trusts, which appears on page 434 which says these annual statements of these pension plans have to be filed with the Bureau of Internal Revenue in such detail that they have to show receipts and disbursements.

Mr. CURTIS of Missouri. And so much in detail that they have to be funded, so that they actually get into somewhat of the investment to the extent at any rate that if they are not funded in such a way as to bring in the revenues and are not actuarially sound, they stand to lose their tax-exempt status.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from California.

Mr. ROOSEVELT. But the gentleman, I do not think, would quarrel with this statement. The Internal Revenue Service merely inspects the items of the plan to satisfy itself that all funds paid to the plan are irrevocably committed to providing the specified benefits for employees. The Service does not audit these funds and, therefore, it has no information as to whether or not there is theft or whether there are other abuses with respect to the handling of the funds which have been paid in.

Mr. CURTIS of Missouri. I do disagree with that. Who signed that? I was amazed to hear that.

Mr. ROOSEVELT. Then may I read you the statement.

Mr. CURTIS of Missouri. Who signed that letter—because here is what I am getting at.

Mr. ROOSEVELT. If the gentleman will let me say it, I will be glad to say it.

Mr. CURTIS of Missouri. I want to point out this and then the gentleman can answer this question too. If you called that gentleman before your committee and interrogated him along the lines of what the requirements are, I think you would have clarified that. Now I am glad to yield to the gentleman.

Mr. ROOSEVELT. The statement is made by Mr. Harold Swartz, Director of the Tax Rulings Division of the Internal Revenue Service, and this is found on page 847 of the hearings before the Douglas committee on July 20, 1955. We then asked the Internal Revenue Service staff whether this was their same position. I do not have the name of the individual who replied, but he did reply that it was exactly the same.

Mr. CURTIS of Missouri. Is that in the hearings?

Mr. ROOSEVELT. No; this was a part of the staff research which we asked them to do. He stated:

I would like to emphasize that the principal function of the IRS is a collection of Federal taxes. \* \* \* The collection of these taxes involves the processing of nearly 95 million tax returns. Obviously we can neither examine nor audit all of these returns. We must channel our limited examining power to the items which are believed to be the most productive. Accordingly, only a small portion of our time can be devoted to examining into the annual information returns filed by exempt organizations.

Then they also replied to us:

Qualification of a plan by IRS does not insure actuarial soundness. The regulations require only minimum standards.

The assets of the plan may have depreciated greatly through bad investments or economic conditions without being of any concern to the IRS \* \* \*. The IRS would disqualify a plan if the minimum indicated were not put in, but this action would actually work a hardship on the employee beneficiaries.

The regulation of qualified pension plans by IRS is for income tax purposes. It does not assure against abuse nor is there any disclosure to the employee beneficiaries. On the contrary, by law the IRS cannot inform the beneficiary if it finds something wrong with the management of the plan.

Mr. CURTIS of Missouri. I simply want to say this, that first, the statement made by the people who handle most of these plans that there have been no abuses shown either before or after, is compelling.

Mr. ROOSEVELT. If my colleague will yield, may I point out that the statement to which the gentleman from Missouri refers was made by a party against the bill and not backed up by any information of any kind.

Mr. CURTIS of Missouri. If the gentleman will wait just a moment, I want to say these people are the ones who handle the funds.

Mr. ROOSEVELT. I beg the gentleman's pardon. That statement was made by a gentleman representing the American Bankers Association.

Mr. CURTIS of Missouri. Exactly. The members of the Bankers Association handle a great deal of these funds. That is the point. Now if the subcommittee in the interest of finding out the truth contested that, they would have called

them in and, secondly, I suggest that the subcommittee would at least have the Internal Revenue Service before them to interrogate them and possibly might try to resolve the conflict in the statements that we find in your hearings beginning on page 434, the statement of the American Bankers Association and the statement that the gentleman has just read from the Internal Revenue Service. It seems to me that when you talk about the bulk of your funds here, the subcommittee might have done that amount of work.

Mr. Chairman, I think I will suggest that this bill be recommitted.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ROOSEVELT. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I simply want to say to the gentleman, we felt there was no conflict. It was simply a situation where one side did not want any regulation, for obvious reasons. The American Bankers Association wants to run it their own way, and I do not blame them for that. They have their right to come before the committee and say so. However, we found no evidence that the Internal Revenue Service had changed their position, and it would have been a waste of time of the committee for them to repeat what was already in the record.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield.

Mr. JONAS. Does the record disclose any evidence of abuses in the field of pension funds that do qualify for tax exemption under the Internal Revenue law?

Mr. ROOSEVELT. The record and testimony by Mr. Carey would show that he pointed the finger at a plan which was and is tax exempt. I believe I better not name it; I would have to look up the name of the case.

Mr. JONAS. Which was the only incident existing?

Mr. ROOSEVELT. That was the one instance he cited.

Mr. JONAS. Out of 30,000?

Mr. ROOSEVELT. At that time we went into matter supplied us by Senator DOUGLAS, of Illinois, in which he pointed out other instances of misadministration of plans which obviously ought to be looked into, but neither the Senate committee nor our committee had sufficient staff to follow this through as it should have been.

Mr. JONAS. The reason I ask these questions is because I have not had an opportunity to attend the committee hearings or read the record. I have read the committee report. As the gentleman recalls, when I engaged in colloquy with the gentleman from Iowa I was concerned over the fact that there is a possibility here that extraordinary expense may be brought upon some of the people who operated in a field where there had been no complaint or no abuses uncovered. I would hope we might find some way to take care of the cases in which abuses do occur and not put the people to a lot of extraordinary expense



and trouble in a field where no complaints have been received and where the plans are operating satisfactorily.

Mr. ROOSEVELT. I think the gentleman's concern is a proper one. I think he will find that we have taken care of that in the bill. He will find very careful statements directed to the Secretary. There is a provision in the bill which states that the Secretary may not go into this investigative area unless he has reasonable cause to believe that there is something wrong. Wherever that does not exist there will be no additional cost to anybody concerned. On top of that you should remember the Secretary of Labor's testimony as to the amount of money needed properly to police this area where there is something wrong. That, as I have said, would be a matter for the Appropriations Committee.

Mr. Chairman, I yield the balance of the time on this side to the gentleman from Illinois [Mr. PUCINSKI].

Mr. PUCINSKI. Mr. Chairman, as a member of the subcommittee which prepared this legislation I rise in support of H.R. 8723. I think the discussion we have had in the past 2 hours, and the questions that have been raised, are most significant. I am delighted that there has been this give and take because it affords us an opportunity to establish some legislative history which will make the administration of this bill, as soon as the Congress approves it, that much easier.

I know of no piece of legislation that could be of greater importance to the House of Representatives in this session than this particular bill. This bill deals with the future of some 100 million Americans who are today relying on their health and welfare benefits, being available at the time when they will need them, in some 250,000 different health and welfare plans involving more than \$50 billion.

These plans and this \$50 billion fund that is now invested is growing at the rate of \$4 to \$5 billion a year. We are talking about the future of the older citizens of America, widows and orphans, and totally disabled workers who rely on these health, welfare, and pension plans for their future. I cannot think of anything that can be more tragic to an American than to rely on a pension fund only to discover that the money his employer has paid into the fund is no longer available and the reliance he has put in this fund has been betrayed simply because the program has been badly administered.

The Department of Labor under the present law passed in 1958 becomes a mere depository of welfare pension plans, descriptions, and annual reports. The Department possesses absolutely no rulemaking or investigative powers. I wish to emphasize this point. I wish to emphasize the testimony appearing on page 27 of the committee hearings when I asked the Secretary of Labor, Mr. Goldberg, this question:

And then, if I understand the proposal correctly, what you are asking here is that

the administrator, the Secretary of Labor, have the right to at least have a report, not necessarily review but have a report which I understand would become public on how these pension plans and pension funds are being administered and how they are being secured. Is this the purpose of this legislation?

Secretary GOLDBERG. The purpose of the statute is that we get the facts of what is happening. We are not asking for any authority to direct an administrator to invest in this type of security or that type of security. There is no attempt to go that far.

This is a very limited thing. All we are asking for is that we be authorized to require the administrator of the funds to tell exactly what is happening.

There has been a great deal of discussion here today as to whether or not there has been any evidence of wrongdoing. The only reason this committee has not been able to come before the House with that type of evidence is because there is no way to obtain this evidence under existing law. The Secretary of Labor has no powers to go beyond the piece of paper filed with him by an employer or an administrator of the fund. The Secretary of Labor has no right to ask any further questions. He must completely satisfy himself with the information or the report filed by administrators of pension funds and whether it is fraudulent or not he has no right to inquire. That is the guts of this bill, that is, to give the Secretary of Labor the right to pursue the matter to see how these funds are being invested. Nothing in this legislation would permit the Secretary or anyone else to interfere with the judgment of the people who administer these funds. But, certainly, the millions of Americans who rely on these funds have a right to know how their money is being invested. This is why I urge adoption of this legislation.

Mr. Chairman, there was discussion as to cost. The previous speaker has spoken on this subject, claiming it would cost administrators of pension funds additional money to comply with this law. I say that the Congress had no hesitation to adopt the Landrum-Griffin bill, even though at that time there were many protestations as to additional costs for reporting. But Congress swept these protestations aside because we felt that the workers had a right to know how their union funds were being spent.

I asked the Secretary:

For instance, do the provisions that you make here differ very greatly from the provisions in the Landrum-Griffin bill requiring disclosure of union funds?

Secretary GOLDBERG. They are substantially similar.

Mr. PUCINSKI. Do they differ very much from requirements of the Securities and Exchange Commission in their dealings with securities, not necessarily funds such as this but securities? They have to make full disclosure there, do they not?

Secretary GOLDBERG. I think they are less onerous than the SEC requirements.

Mr. PUCINSKI. Then, of course, in the Federal Deposit Insurance Corporation you have some very rigid standards of disclosure.

Secretary GOLDBERG. Much greater than these. In that area, mandatory audits are concerned and they audit every institution subject to the provisions of that law.

Mr. PUCINSKI. I imagine you have a similar situation in the Federal Savings and Loan Corporation.

Secretary GOLDBERG. That is correct; they are supervised very, very closely.

I asked another question, regarding any possible additional costs involved in conforming with this proposed legislation.

I asked the Secretary:

Now, I have heard criticism of this plan from some of those who are involved in the administration of pension and welfare funds that this would impose a tremendous cost on the employer in trying to provide this information for you. Is there any merit to that kind of fear?

Secretary GOLDBERG. Congressman, I do not believe so. Here again I want to refer to our experience under the Landrum-Griffin Act and here I want to refer to some complaints made by unions in this area. Many unions complained that, if they had to make reports under the statute, this would result in great burdens and great financial burdens. Actually, the way we have worked out the provisions in that statute, we have eased some of the burdens that they had before under prior legislation of the Congress. We provide some simplified forms. We have tried intelligently to administer the statute to prevent this. It is not the purpose of this statute or the amendments we are proposing to impose great financial burdens on anybody.

The fact of the matter is that everybody who runs a welfare fund must have audits for their own protection and essentially we are not asking for any information here that is not present in a normal audit of a welfare fund.

We are just asking that it be made publicly available to the participants.

The gentleman from Missouri who just preceded me suggested this legislation is not necessary for those funds which already file a report with the Internal Revenue Service to qualify for a tax exemption. I should like to remind the House that income tax returns are completely confidential and not available to anyone for scrutiny. However, it would appear to me the gentleman is contradicting himself. If these administrators of certain types of pension plans already are filing detailed reports with the Revenue Service, it should be no problem for them to file a carbon copy with the Labor Department so the public and beneficiaries of the trust fund could see how and where the money is being invested in their behalf.

Finally, Mr. Chairman, while I have the highest regard for the gentleman from West Virginia [Mr. BAILEY], who said the United Mine Workers oppose this bill, I wish to remind him that this bill is not directed at the UMW. I know this union now publishes a detailed report for all of its members of how the pension fund is invested. I know that many other fine unions follow a similar practice. Many employers do the same. But the legislation is not directed at them. We know how their funds are managed. This legislation is directed at those administrators of pension funds who are not so above board. I wish to remind the House that more than 25 percent of pension and welfare funds go totally unreported under the present law.

It is for these reasons that I hope this bill will be approved.

The CHAIRMAN. The time of the gentleman from Illinois has expired. All time has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Welfare and Pension Plans Disclosure Act Amendments of 1961".*

Mr. ROOSEVELT. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BONNER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 8723) to amend the Welfare and Pension Plans Disclosure Act with respect to the method of enforcement and to provide certain additional sanctions, and for other purposes, had come to no resolution thereon.

#### LINCOLN BOYHOOD NATIONAL MEMORIAL

Mr. ASPINALL submitted a conference report and statement on the bill (H.R. 2470) to provide for the establishment of the Lincoln Boyhood National Memorial in the State of Indiana, and for other purposes.

#### WASHINGTON'S FAREWELL ADDRESS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that on Thursday, February 22, 1962, Washington's Farewell Address may be read by a Member to be designated by the Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The SPEAKER. Pursuant to the unanimous-consent request granted today, the Chair designates the gentleman from Indiana [Mr. ROUSH] to read Washington's Farewell Address immediately following the reading of the Journal on February 22, 1962.

#### PRIME MINISTER FANFANI'S BOLD MOVE A PROGRESSIVE ONE

Mr. ANFUSO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ANFUSO. Mr. Speaker, while we are fostering democracy on this side of the Atlantic for all the nations of the Americas, a great champion of liberty and social justice, Prime Minister Amintore Fanfani, of Italy, is fighting for

democracy in his country as an example for all of Europe to follow.

On the one hand, Italy has long been handicapped by having the largest and strongest Communist Party in all of Europe, second only to that of the Soviet Union. On the other hand, it has similarly been handicapped by the extreme rightist factions which seek to preserve or bring back antiquated feudal ways. The more they fought each other, the stronger grew Communist support because the poorer classes of the population felt that they had no other place to go and no other cause to support. The unfortunate result of this anomalous situation was that the development of a middle class, which could serve as a strong anti-Communist force, failed to materialize.

We had a similar situation in this country. In our own time, we suffered politically because we lacked a strong middle class until about the advent of Franklin D. Roosevelt and his New Deal.

Prime Minister Fanfani today represents the spirit and the ideals of Franklin D. Roosevelt in Europe perhaps more so than any other statesman on that continent. He stands for peace, for economic growth, for social development, for the expansion of education in his country, for raising the standard of living of the poor, for loyalty to the West and NATO, for vigilance against communism, and above all for democracy.

Mr. Speaker, all of us have read in the press the last few days that Prime Minister Fanfani's party, the Christian Democratic Party, has voted by a 4-to-1 majority to form a parliamentary alliance with the Socialist Party headed by Pietro Nenni. This opens a new cycle in Italian politics.

While Fanfani's move is interpreted in some quarters as a turn to the left, it is worthwhile remembering that after many years he has succeeded in winning away from Communist ties the so-called Nenni Socialists. This will weaken the Communist influence in Italy, and as such it constitutes a gain for freedom. For the people of Italy it will constitute a step forward because it will mean greater reforms for the betterment of the nation.

Fanfani's move may also be described as a bold political gamble, and all of us sincerely hope that the gamble will succeed. It will be a remarkable achievement in itself to have the Socialist Party break completely from any Communist influence, and that democracy as we know it will be strengthened in Italy. In this spirit, we extend our greetings and best wishes to Prime Minister Fanfani and the Italian people.

There can be no question of Prime Minister Fanfani's great loyalty to Italy and of his friendship for the United States. He has demonstrated this time and time again. I have followed his career from the early days when he was secretary general of the Christian Democratic Party. DeGasperi had given vision to the party. Fanfani gave it strength by organizing it on a precinct level as we know it in this country.

I had the happy fortune to be his host the first time he came to this country

in 1956 to attend the Democratic Convention in Chicago. Later, President Eisenhower was his host at the Republican Convention in San Francisco.

At the Chicago convention he met for the first time our present-day leaders, then still Senators, John F. Kennedy and Lyndon B. Johnson, the then majority leader and now our great Speaker, John W. McCormack, and also Senators Estes Kefauver, Stuart Symington, and the Democratic presidential nominee at that time—Adlai Stevenson.

As a result of these meetings, a firm basis of understanding was established between the leaders of the United States and Italy which has proven beneficial for both countries.

Prime Minister Fanfani is fully aware of the risks he is taking in entering into an alliance with the Socialist Party, but he sees it as a real opportunity once and for all to break the hold of the Communists on the Italian electorate. In this effort we wish him success. Italy's gain in this respect will also be a gain for the West and for all freedom-loving nations.

#### REAFFIRMING U.S. POLICY IN PROTECTING ITS CITIZENS AND THEIR PROPERTY

Mr. ALGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ALGER. Mr. Speaker, there was a time in history when the image of the United States commanded respect in all parts of the world and engendered fear in the hearts of those nations and their rulers who would debase human dignity. No citizen of this land has failed to be stirred in his heart at reading history when this fledgling nation challenged the powerful barbaric pirates and freed the seas for our merchant ships. There was real meaning behind the inspiring words of the Marine Hymn extolling U.S. championship of its sovereignty from "the halls of Montezuma to the shores of Tripoli."

I do not believe we were universally loved in those days or since when the power of this Nation protected its citizens and their property wherever they traveled in the world. We were not concerned with having people love us, but we did command their respect, we did engender fear in the hearts of would-be dictators and bandits. The words of our great President James Monroe, "National honor is national property of the highest value," had meaning and depth and were clearly understood by all peoples of the world.

The days of American glory under President Teddy Roosevelt saw us using whatever means necessary to demand that all nations recognize the rights and privileges of American citizens everywhere. The flag of the United States, backed up by our full military resources, stood behind every citizen of this country and he felt secure in his travels.



American business, knowing that the power of the United States would protect its property everywhere in the world, invested dollars, American initiative and know-how in many far-off places, creating wealth and opportunity, not only for our own citizens but people in underdeveloped countries around the globe.

In recent years, in our eagerness to be a popular nation, we have compromised our honor. The once mighty American image has been tarnished by inaction and even pipsqueak dictators, like Fidel Castro, thumb their noses at us, imprison and murder American citizens, and steal billions of dollars in American property. The Russians shoot down our planes over international waters and American airmen are killed and the survivors imprisoned. American citizens, civilian and military, have been allowed to languish in vile prisons in Red China and have become the victims of the most medieval forms of torture. American missionaries have been murdered in the Congo, their women brutally raped, their children actually drawn and quartered. Our planes have been hijacked over our own skies. The blood of Americans has run deep in many lands. American property, amounting to untold billions, has been illegally seized and stolen in all parts of the world. Our flag has been ripped down, burned and spat upon. High officials of our Government have been humiliated and their lives endangered. Our Embassies have been wrecked and their personnel subjected to personal danger. And we have done nothing except to protest. Protest to madmen and nations which make no pretense of abiding by civilized rules of conduct.

The result of our failure to maintain our national honor as a sacred duty has been the rise of international gangsterism until no American citizen, no official of this country, no property belonging to our Government or our people is safe. Every individual travels outside the boundaries of the United States at his own risk. Every business invests in foreign lands without the protection of its government which it has a right to expect.

Mr. Speaker, I say that honor is not dead in America. We are still a powerful people, not bent on conquest, with no imperialist designs upon the world akin to the Communist conspiracy of enslavement of mankind, but determined that our Nation will command respect. The American people, I am convinced, do not want to bow to bandits and dictators. The American people are determined that "the broad stripes and bright stars" will continue "to wave o'er the land of the free and the home of the brave."

The time has come, Mr. Speaker, to reaffirm our dedication to those principles upon which our greatness has been founded. The time has come for the United States to rededicate itself to the fundamental principles of the Monroe Doctrine and to expand the spirit of that document to include the protection of the freedom and the rights of Americans and their property wherever they

may be in the world. In that spirit, I have today introduced a resolution, which I hope will have the unanimous approval of this Congress, expressing the declaration of will of the American people and the purpose of their Government to reinstate the sovereignty of the United States and its people throughout the world and to guarantee the full protection of this Government for all its citizens and their property anywhere in the world.

Mr. Speaker, by approving this resolution we will strike a telling blow against the Communist conspiracy with its disregard of international law. We will warn Castro and the other bandit dictators that no longer will they be free to prey upon American citizens. Once again we will proclaim the glory which was ours at Tripoli and other historic places and times when the American image was held in respect and the American Eagle soared high in the heavens as a symbol of freedom, human dignity, and the protection of the rights of all men.

#### DEPARTMENT OF URBAN AFFAIRS AND HOUSING

Mr. VANIK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

Mr. VANIK. Mr. Speaker, in connection with the current discussion on the establishment of a Department of Urban Affairs, I believe that a case has long been made for the establishment of such a department. I am in support of the President's proposal and hope that it can be accomplished.

It has been charged by some of the opponents of the Department of Urban Affairs and Housing that this new agency would be directing local governments in the performance of local functions. There is nothing that could be further from the truth. To make this charge is to state that past Congresses have overstepped their constitutional bounds and that this and future Congresses will behave no better. To show this to be completely false, we have to do no more than to look at the present programs which the Congress has given the Housing Agency to administer, and ask to what extent they are imposed upon localities. The answer is very simple: all of these programs are purely voluntary and any State or locality may participate or not as it so desires.

In many ways the programs of community assistance which are administered by the Housing Agency are the very essence of democratic procedure. Central to each one is the concept that these are local programs, locally planned and locally administered. The role of the Federal Government is to provide financial assistance to the locality, and in some cases technical assistance. But the locality must initiate the request and make the decisions on project matters.

There are requirements that localities meet certain standards as a prerequisite to the financial assistance being provided. These are standards which the Congress has established for the purpose of assuring that the assisted localities are willing to help themselves. In giving money to localities, we are not paying out a dole. We are saying to a locality that, "We are willing to help you deal with certain of your problems, but we want an assurance that you are willing to help yourself." Is this an unreasonable position for the Congress to take? Has there been any dictation to the locality? And locality which is unwilling to meet these reasonable criteria is perfectly free to refrain from participating in the program—and some have.

Let us look at some of these programs and ask whether they are being dictated to local communities. In particular, let us look at the urban renewal program which is beginning to revitalize the face of urban America. There are over 500 cities, large and small, carrying out urban renewal projects. Were these cities forced to undertake projects? The answer is obviously "No." Of the 20 largest cities in the United States, 16 are undertaking federally assisted projects while 4 have chosen not to do so. There is no compulsion. There is no dictation.

Before Federal assistance is provided for the planning of an urban renewal project, the local city council or other local governing body must request that assistance. Before the project may be carried out, the city council must approve the plan and request further financial assistance. At this point we do have an example of Federal standards: Congress has required that there must be a public hearing on the project after due public notice. While it could be said that this is dictation, it is to my mind a prudent requirement to assure local citizens an opportunity to voice their views about the future shape of their community.

There are, of course, other requirements to be met as a prerequisite for Federal urban renewal assistance. One such is a requirement that the city council or city planning commission find that the plan for the project is in accord with the general plan for the locality. Does this mean that the Federal Government is now dictating to localities what their plans should be? Not at all. The community itself decides on its plan. The Federal Government merely insists that there be a plan so that the Federal assistance is not diluted by uncoordinated local actions.

There are many other HHFA programs which help States and localities without dictating to them. Under the urban planning assistance program, grants are made to States, cities and metropolitan planning agencies to help them develop their own plans for what they want to do. Through the public facility loan program, smaller localities are assisted in getting loans to permit them to install much needed public utilities and facilities for their increasing population. The program of advances for pub-

lic works planning permits communities to prepare their plans for public works in advance of their immediate needs. The new program of loans for mass transit will help cities meet some of their urgent transportation problems.

All of these programs are voluntary and all of them are predicated on a strong concept of local autonomy. With a record such as this, there should be no fear that the new Department of Urban Affairs and Housing will be attempting to usurp the functions of our local governments.

#### RADIO AND TELEVISION BROADCASTING STATION FEES

Mr. JOELSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. JOELSON. Mr. Speaker, I have introduced a bill which would charge realistic license fees to all radio and television broadcasting stations licensed by the Federal Communications Commission.

I believe that most taxpayers would be shocked and surprised to learn that our Government now gives away absolutely free of charge the valuable right to use the people's airways. In many cases, these licensees obtain from the Government a monopoly out of which they make huge profits.

It is amazing to me that the Government has for so long seen fit to make free gifts to these television and radio outlets which in turn sell broadcasting time commercially at such rates as they can get.

The failure of the Federal Government to charge these broadcasting stations is the big giveaway of the 20th century. Can we imagine the outcry that would result if the Federal Government gave away free of charge timberland or other natural resources it might own, and then told the lucky donee to charge for these resources what the traffic will bear.

Most enterprises which are licensed by governmental bodies, whether State or municipal, pay fees for their privileges. Barbers and liquor sellers are thus charged. Public utilities such as electric companies, telephone companies, and transportation companies at least have their rates regulated. Only the broadcasting companies escape the payment of license fees and the regulation of their rates.

The point should be stressed that what I am proposing is not merely a fee for the cost of regulating broadcasting stations, although the stations now do not even pay such a fee. My proposal is to charge these outlets for a valuable asset now being handed over to them free by the Government.

This bill would require an annual license fee equal to 1 percent of the gross revenues of each licensee for the preceding year. It further provides that

the Federal Communications Commission shall revoke or refuse to renew the license of any television or radio station which fails to pay the fee.

Broadcasters can be expected to oppose the bill. Naturally they want to enjoy the present pattern. However, I am sure that if, at the outset, legislation had provided for a fee for the award of a license to broadcast by the Federal Communications Commission, hopeful aspirants would be falling over themselves to obtain the licenses.

I have received letters from some broadcasting stations warning me that if this bill is passed they will discontinue public service programming. My answer to such stations is that if they do so, the Federal Communications Commission should either discontinue them, or else require a certain percentage of broadcasting time to be devoted to public service programming.

In view of the revenues of these outlets, I believe our Government would obtain over \$20 million each year in fees under my proposal. This legislation is long overdue.

#### TRADE POLICY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. MULTER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MULTER. Mr. Speaker, on January 18, 1962, I introduced H.R. 9741, a bill to provide assistance to business enterprises and individuals to facilitate adjustments made necessary by the trade policy of the U.S. Government.

This bill would establish a program for the assistance of companies and workers adversely affected by increased imports resulting from the trade policy adopted by the United States.

The distinguished chairman of the Select Committee on Small Business in the other body, Senator SPARKMAN, is to be commended for his foresight in initiating this all-out effort to provide needed relief before a situation which could do great harm to the small business communities gets worse. There have been a large number of trade adjustment proposals introduced in the Congress in recent years and as we approach the reduction of tariff barriers it becomes increasingly important that we do something for those sectors of our economy which will need it.

This proposal would give the Tariff Commission and the President the right to invoke the assistance provisions of the Trade Adjustment Act even in cases in which no serious injury or threat of serious injury is established on an industrywide basis if some companies and workers in the industry suffer injury or are threatened with injury.

The bill would offer the following relief measures: First, 25-year, 4-percent trade injury loans from the Small

Business Administration; second, grants of up to \$25,000 to individual companies to employ private management and industrial experts to plan for adjustment to changed trade conditions requiring conversion to new lines of production; third, extended unemployment compensation to workers unemployed because of imports; fourth, retraining and relocation allowances for such workers; fifth, retirement under social security at age 60 instead of 65 for workers unemployed because of imports; sixth, accelerated amortization of plant and equipment for companies changing lines because of imports.

One of the most important aspects of this bill is the fact that the Small Business Administration is the key agency for the administration of the business loan program as well as the planning grants. The Administrator of SBA would be made chairman of a policy-forming Interagency Committee on Trade Adjustments, on which the Tariff Commission and the Departments of State, Labor, Commerce, Interior and Agriculture would be permanently represented.

As Senator SPARKMAN said when he introduced this bill in the other body, "no injured industry can be expected to bear willingly an economic burden that more properly belongs on the broader shoulders of the national economy," a sentiment with which I heartily concur. I trust that the Congress will act on this proposal early in the present session.

#### COUNTDOWN ON ECONOMIC PROGRESS

The SPEAKER. Under previous order of the House, the gentleman from Florida [Mr. HERLONG] is recognized for 30 minutes.

Mr. HERLONG. Mr. Speaker, it is time for some blunt talk. In the cold light of history men and governments must be judged by the consequences of their acts, not on their good intentions. It is the economic consequences of the collective acts of the Federal Government which too often are lost sight of in the planning rooms of the executive branch and in the legislative chambers of the Congress.

I do not question the patriotism or motivation of any man or woman in any branch of Government when I state that, in the total of its spending and taxing policies, the Federal Government is shortchanging the American people. This is simply to state the economic consequences of what we have wrought. What harms our Nation economically is not just a matter of lost jobs, of lower living standards, and of less human well being. It is a matter of less national strength, of lowered military security, and of diminished prestige and capacity for leadership in the world. What harms us economically aids our enemies.

For a number of years, many members of both branches of the Congress, and of our two major political parties, have been warning of the pitfalls of too



much spending. I believe it is accurate to say that a great majority of the Members of both branches are deeply concerned about this trend. I further believe that the time is here when the Congress as a whole is willing and ready to take a new look, to face squarely the issue of which legislation will best serve the public welfare and national interest.

One thing which is certain is that concern about inflation does not stop the spending. I suppose the reason is that any group favoring a particular spending program is willing to take the chance of inflation, leaving it up to other groups to control their appetites for public money. I doubt if we can expect the separate groups interested in spending on particular programs to act much differently, except by a stronger demonstration of their combined interest than is provided by the inflationary threat.

Regardless of separate group interests in spending, all Americans do have the same interest in our national strength and prestige and, hence, in the rate of economic growth. Even as members of special groups, they know that high-rate economic growth is the key to the improvement of their individual positions; that a buoyant, dynamic, fast moving economy not only would insure the best progress to them individually, but will in fact eliminate or moderate conditions on which so much of the spending is based.

Thus, every citizen of whatever group must be concerned with the fact that growth in the total of Federal spending is at the expense of growth in the private economy.

For several years, my colleague on the Ways and Means Committee, Representative HOWARD H. BAKER, of Tennessee, and I have been pointing out that continuation of the spending trend prevents the reform of tax rates and methods which impede capital formation and hence limit economic growth. Our bills, H.R. 2030 and H.R. 2031, with which I am sure every Member of this body is familiar, are designed to reflect the general public interest in permitting greater growth in the private economy as against more growth in Federal spending.

We have not proposed a rollback in the total of Federal spending. Instead, our bills would preempt the revenue gain from economic growth to remove the tax brakes on greater growth. After the necessary tax reductions were effected, and the economy had responded in a continuing trend of greater growth, Federal revenues would soon move ahead of those which can be expected under the present tax structure. The price of achieving these ends, so necessary to the public welfare at home and our national strength and prestige looking abroad, is a moratorium on further spending increases.

Only by controlling its spending can the Government achieve the results which so often, but inaccurately, are said to come from increased spending. The greatest hoax of our time is the notion that greater spending in the so-called public sector is a means for increasing economic growth. The Govern-

ment lives off of the private economy, and not vice versa.

In statements in support of our legislation, we have noted that while our recent growth rate has been only about 2 to 3 percent annually, the economies of other nations have been bounding ahead. In Western Europe, the rates of growth have been double to triple our rate, and Japan has been doing even better. According to CIA estimates, the Soviet economy achieved an average growth rate of 7 percent in the 1950's.

Growth comes from capital formation. The greater the capital supply, the greater will be the growth of any economy. In the less advanced economies, most new capital will go into the creation of entirely new productive capacity thus resulting in net increase in economic output. In an economy like ours, a great deal of capital formation only replaces wornout or obsolete productive facilities. Keeping these facts in mind, it is evident that a rate of new capital formation in our country will not produce as rapid a climb in total production as will comparable rates in other countries. Nevertheless, we have one of the lowest rates of gross capital formation in the world today, or approximately 15 percent of gross national product. In Western Europe, comparable rates in 1959 were: Belgium, 17 percent; France, 18 percent; Italy, 21 percent; Austria, 23 percent; and Germany, 23 percent. According to the CIA, 30 percent of Russia's gross national product goes into capital formation.

Whatever excuses there may have been for our not heeding these facts before now, we can have none hereafter. A new and authoritative study is now available which documents in quantitative data the fact that government, in the total of its spending and taxing policies, is the culprit insofar as our inadequate capital formation and economic growth is concerned. Dr. Simon Kuznets, of the National Bureau of Economic Research, is the author of this study.

The data provided by Dr. Kuznets show that, over the past century, the total of capital formation in this country has been relatively stable though tending slightly downward as a percentage of gross national product. However, the part of this capital formation required for replacement has been rising so steeply that net capital formation has been a consistently declining percentage of gross national product. From the period 1869 to 1888, to the period 1946 to 1955, the decline was from 14.6 percent to 7 percent of gross national product, measured in constant prices. Since economic growth was on a generally adequate level between 1946 and 1955, before the poor record of recent years, we may take for granted that the percentage of net growth capital is even smaller today.

Dr. Kuznets' study leaves no room for mistake about the source of our problem. It is clear from his analysis that the principal cause of too little capital formation is the combine of public spending and tax policies which takes so much capital away from the private economy.

There obviously is no escaping the conclusion that the Federal Government, in its capital-destroying tax policies, is responsible for the inadequate rate of economic growth; that the failure to control spending so as to admit of fundamental reform of the tax structure is at the expense of our domestic well-being and national security; and that contemporary spending proposals designed to relieve problems caused by inadequate growth simply compound the total of such problems.

Herein is the truth of my statement that the Federal Government is short-changing the American people out of the natural bounty and security of their free economic system.

If the Congress should this year, now, enact the legislation which the gentleman from Tennessee, Representative BAKER, and I have sponsored, what would this mean in terms of increasing well-being for the American people, and our position of economic leadership in the world?

In answering such a question, we have to decide on a timespan first, and make certain assumptions.

Because of the great emphasis on the critical decade of the 1960's, the timespan which we have used would carry us through the year 1970.

The assumptions which we have made are as follows:

First, that unions and management will have the wisdom and courage to confine wage decisions to overall productivity, so that all citizens may enjoy the maximum fruits of progress without further creeping inflation.

Second, that upon enactment of this legislation, at this time the current recovery will not be quickly dissipated in a new recession, as has happened on four occasions in the past dozen years, but will be transformed into the beginning of a new era of high-rate, long-term growth; and the economy will achieve a growth rate of 4 percent in 1963, 4½ percent in 1964, 5 percent in 1965, and 5½ percent annually thereafter.

Third, that, however, without enactment of this legislation at this time, the economy will achieve a gross national product of no more than \$560 billion in 1962, as compared with the \$570 billion projected by the administration's budget message and Economic Report.

From these assumptions, we find that from 1962 to 1970, gross national product will grow from \$570 billion to \$851 billion; that personal income will grow from \$448 billion to \$669 billion; that income per capita, taking account of increasing population, will grow from \$2,402 to \$3,163; and that the base for the individual income tax will grow from \$211 billion to \$382 billion.

By contrast, if through these years the economy should grow at only a 2½-percent rate annually, starting from the base of \$560 billion in 1962, gross national product would grow only from \$560 billion to \$682 billion; personal income would grow from \$440 billion to \$536 billion; income per capita would grow from \$2,359 to only \$2,534; and the base of the individual income tax would grow only from \$207 billion to \$278 billion.

Now let us contrast these figures, on a total cumulative basis:

Upon enactment of our bills, these projections would indicate by 1970, addi-

tions—above what would result from 2½ percent average annual growth—of \$699 billion of gross national product; of \$547 billion of personal income; of \$2,681 of

per capita income and of \$402 billion in the tax base.

The following tables show these data year by year from 1962 through 1970:

*Gross national product*  
[In billions of dollars]

	Calendar years								
	1962	1963	1964	1965	1966	1967	1968	1969	1970
Upon enactment of H.R. 2030-2031.....	570	593	620	651	689	725	765	807	851
Without fundamental reform of tax rates and methods.....	560	574	588	603	618	633	649	665	682
Additional GNP.....	10	19	32	48	71	92	116	142	169
Cumulative additional GNP.....	10	29	61	109	180	272	388	530	699

*Personal income per capita*  
[Dollars]

	Calendar years								
	1962	1963	1964	1965	1966	1967	1968	1969	1970
Upon enactment of H.R. 2030-2031.....	2,402	2,459	2,530	2,619	2,719	2,825	2,932	3,044	3,163
Without fundamental reform of tax rates and methods.....	2,359	2,380	2,400	2,425	2,447	2,468	2,488	2,511	2,534
Additional personal income per capita.....	43	79	130	194	272	357	444	533	629
Cumulative additional personal income per capita.....	43	122	252	446	718	1,075	1,519	2,052	2,681

*Personal income*  
[In billions of dollars]

	Calendar years								
	1962	1963	1964	1965	1966	1967	1968	1969	1970
Upon enactment of H.R. 2030-2031.....	448	466	487	512	540	570	601	634	669
Without fundamental reform of tax rates and methods.....	440	451	462	474	486	498	510	523	536
Additional personal income.....	8	15	25	38	54	72	92	111	133
Cumulative additional personal income.....	8	23	48	86	140	212	303	414	547

*Individual income tax base*  
[In billions of dollars]

	Calendar years								
	1962	1963	1964	1965	1966	1967	1968	1969	1970
Upon enactment of H.R. 2030-2031.....	211	224	239	257	278	301	326	353	382
Without fundamental reform of tax rates and methods.....	207	215	223	231	240	249	258	268	278
Additional individual income tax base.....	4	9	16	26	38	52	68	85	104
Cumulative additional individual income tax base.....	4	13	29	55	93	145	213	298	402

Suppose our estimates of growth upon enactment of our bills are too high; suppose despite the record of recent years, our estimate of growth with nothing more than reshuffling of the present tax structure is too low; suppose the difference would be say no more than one-half of that which we have projected?

Over recent years, and currently, the Federal Government has been exposed to a barrage of demand for Federal aid to education, and to the argument that training and education themselves are means to economic progress. Dr. Kuznets notes that the development of scientific knowledge and technological skill inevitably contributes to improvement of our economic productivity. However, he adds that "one persistent bottleneck in the use of knowledge in economic production has been the scarcity of the resources for the production of capital goods needed for the application of new knowledge."

It seems to me that Dr. Kuznets is saying that we may have been getting the cart before the horse. Training and education do not displace the need for capital; instead, they increase the need for it. We are rendering a dubious service to our youth when we use Federal moneys to increase education when the total of Federal spending and taxing in themselves deprive trained people, and in fact all members of the working force, of the best and most productive job opportunities. It may be noted that greater capital formation and economic growth would greatly improve the base for State and local, and private support, of our educational institutions. If our economy had not been bound in the past by uneconomic tax rates, we could be certain that education would be in better position today without any direct Federal aid than is now the case. Look-

ing ahead to 1970, no reasonable man could doubt that education would be a major beneficiary of the economic growth possible under a Federal tax structure which does not unduly penalize capital accumulation and use.

We have heard a good bit about sacrifice in the last couple of years. The question posed by the facts and figures which I have cited is where the sacrifice should be made.

Should we continue with an accumulation of public policies which deprive the people of our Nation of the jobs and advance in living standards, and of the pride and independence, which would come from the kind of growth permitted by fundamental reform of the Federal tax rates and methods?

Should we sacrifice the security and strength and prestige that would accrue to our Nation in this troubled world which would come from such growth?

Should we sacrifice the inherent power of our free economic system, letting the Soviet Union move up to our heels in its bid for world economic domination?

Or, should the Government itself make the sacrifice?

Mr. Speaker, we are not laying before you a soft or easy program. No family, no business, no nation has for long prospered and endured unless it demonstrated the capacity for discipline, for prudence today in order to multiply the well-being of tomorrow.

Is the Federal Government willing to make the sacrifice, or is this administration and the Congress to continue on the path of consuming the seed corn of tomorrow's strength?

Put in this light, there is not really as much sacrifice as we have indicated. Upon enactment of H.R. 2030 and H.R. 2031, we estimate that Federal revenues

would total \$88.4 billion in fiscal year 1963, slowly trending out from this figure reaching nearly \$92 billion in 1967; then moving rapidly to \$98 billion in 1968; \$105 billion in 1969; \$112 billion in 1970; and \$119 billion in 1971.

In the intervening years, it is true we would get more revenue under existing tax rates, admitting whatever reshuffling of tax liabilities might take place. But in fiscal year 1971, the revenues which I projected would exceed those which would come from continuation of the existing spending and taxing policies, and thereafter would race ahead.

There is the question, Mr. Speaker, will the Federal Government sacrifice today, in order to enable the private economy to save and invest, to serve the public welfare at home and to confound the enemy which has stalked us with a capital formation rate twice our own?

We believe we know your answer—that this great representative body of the people, that the Senate, and that the President of the United States, understanding these facts, will make the right decision for America.

Our legislation was introduced 3 years ago this January. It has received the support of scholars, of commentators on the public scene, of representative bodies of American citizens.

No one, no group, has contested the validity of its basic assumptions and procedures. It is, in our opinion, Mr. Speaker, time that this legislation be exposed to the full deliberative process of the Congress.

#### VETERANS OF FOREIGN WARS

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. HALPERN] is recognized for 5 minutes.



Mr. HALPERN. Mr. Speaker, today I had the privilege of hearing Robert E. Hansen, commander in chief of the Veterans of Foreign Wars of the United States. Commander Hansen addressed the House Veterans' Affairs Committee, of which I am a member, and presented the VFW's 1962 legislative program.

I was very much impressed by his presentation and, at its conclusion, joined some of my colleagues on the committee in commending the commander for his truly outstanding testimony. I told the assemblage that it was one of the finest legislative offerings I have ever heard.

Mr. Speaker, under this permission to address the full House, I would like to convey to all of my colleagues the views I expressed at today's memorable meeting of the Veterans' Affairs Committee.

I repeat here my observation that the program offered by Commander Hansen is an excellent one. It is reasonable and fair—it is constructive and realistic. I agree with the objectives he outlined. I know that the Veterans' Affairs Committee will evaluate every detail of the VFW's recommendations and that the committee will act in what it believes to be in the best interests of the veteran and the Nation.

Commander Hansen is a leader of unique ability and dedication, and I want to compliment him on his inspiring stewardship of a great organization.

Yes, Mr. Speaker, the VFW is a great organization. I know this from firsthand experiences with the VFW activities in the greatest borough of New York City and the greatest county in New York State—Queens. I am delighted to see that my native Queens is so well represented at this current VFW legislative conference.

I note with pleasure that among my friends here from Queens who are participating in the conference are: Former State commander and member of the national security committee, Edward I. Condren; former State commander, Raymond J. McDonald; county commander, Alick H. Herrmann; former county commander and chairman of the hospital committee of district 1, Allen O. Brown; past county commander and life membership chairman of the department of New York, Hollis Parker; and county legislative committee member, George Athens.

These men are among the finest I have ever known. They and the other wonderful members of the Queens organization are interested, naturally, in the advancement of the veteran's cause. But first and foremost is their dedication to a stronger, healthier America. I have seen this wonderful spirit effectively carried out in the VFW's many civic and patriotic activities, such as the community achievement program and the Voice of Democracy essay contest, which is an integral part of their excellent youth program. Incidentally, I know we are all pleased to welcome the 51 State winners of this contest to Washington.

This altruistic local activity reflects the philosophy of the National VFW and I want to commend this fine organization for its patriotism, its zeal, its strong sense

of civic responsibility and its humanitarianism.

Mr. Speaker, America needs more groups like the VFW and more men like those who make up its membership. My hat is off to them.

#### SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. GEORGE P. MILLER (at the request of Mr. ANFUSO), for 1 hour, on tomorrow.

Mr. HERLONG, for 30 minutes today, to revise and extend his remarks, and include tables.

Mr. HALPERN (at the request of Mr. DERWINSKI), for 5 minutes today, and to revise and extend his remarks.

Mr. LINDSAY, for 15 minutes, on tomorrow.

#### EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. JOELSON and to include extraneous matter.

Mr. HARRIS asked and was given permission to revise and extend remarks made by him in Committee of the Whole on the bill H.R. 6360, and to include a letter.

Mr. GOODELL to revise and extend his remarks made in Committee and to include pages 18261–18263 of the CONGRESSIONAL RECORD, volume 107, part 14.

Mr. VAN ZANDT.

Mr. TEAGUE of Texas.

(The following Members (at the request of Mr. DERWINSKI) and to include extraneous matter:)

Mr. DOLE.

Mr. HALPERN.

Mr. BAKER.

Mr. HOEVEN.

(The following Members (at the request of Mr. ALBERT) and to include extraneous matter:)

Mr. RIVERS of South Carolina.

Mr. KOWALSKI.

#### BILL AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill and a joint resolution of the House of the following titles:

H.R. 6025. An act to confer jurisdiction on the U.S. Court of Claims to hear, determine, and render judgment on the claim of George Edward Barnhart against the United States; and

H.J. Res. 612. Joint resolution making supplemental appropriations for the Veterans' Administration for the fiscal year ending June 30, 1962, and for other purposes.

#### ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 36 minutes p.m.)

the House adjourned until tomorrow, Wednesday, February 7, 1962, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1649. A letter from the Assistant Secretary of Defense, transmitting a report by the Department of Defense relating to positions in grades GS-16, GS-17, and GS-18 during the calendar year 1961, and a report for the year 1961 relating to positions established in the Department of Defense to carry out research and development activities, pursuant to Public Law 85-322; to the Committee on Post Office and Civil Service.

1650. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of a proposed bill entitled "A bill to assist in providing necessary instruction for adults unable to read and write English or with less than a sixth-grade level of education, through grants to institutions of higher learning for development of materials and methods of instruction and for training of teaching and supervisory personnel and through grants to States for pilot projects, improvement of State services, and programs of instruction"; to the Committee on Education and Labor.

1651. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of a proposed bill entitled "A bill to improve the quality of elementary and secondary education"; to the Committee on Education and Labor.

1652. A letter from the Administrator, Agency for International Development, Department of State, transmitting the final report on the operations and condition of the Development Loan Fund as of November 3, 1961, the date of the abolition of the fund and transfer of its responsibilities to the newly created Agency for International Development, pursuant to section 621(c) of the Foreign Assistance Act of 1961; to the Committee on Foreign Affairs.

1653. A letter from the Comptroller General of the United States, transmitting the initial report to the Congress on a review of the Weather Bureau, Department of Commerce, for the fiscal years 1959, 1960, and 1961; to the Committee on Government Operations.

1654. A letter from the Comptroller General of the United States, transmitting a report on the review of the wage accounting and unemployment contribution collection activities of the Railroad Retirement Board as of July 1961; to the Committee on Government Operations.

1655. A letter from the Administrator, General Services Administration, transmitting the report of the Archivist of the United States on records proposed for disposal under the law; to the Committee on House Administration.

1656. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a draft of a proposed bill entitled "A bill to authorize appropriations to the National Aeronautics and Space Administration for research, development, and operation, construction of facilities, and for other purposes"; to the Committee on Science and Astronautics.

1657. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated March 31, 1961, submitting a report, together with accompanying papers, on a letter report on the St. Peters Creek, Manokin River, Md., requested by a resolution of the Committee on Public Works, House of Rep-

representatives, adopted June 11, 1952. No authorization by Congress is recommended as the desired improvement has been adopted for accomplishment by the Chief of Engineers under the provisions of section 107 of the 1960 River and Harbor Act; to the Committee on Public Works.

1658. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated March 31, 1961, submitting a report, together with accompanying papers and an illustration, on a letter report on Back River, Front Cove, Va., authorized by the River and Harbor Act, approved June 30, 1948; to the Committee on Public Works.

1659. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated November 6, 1961, submitting a report, together with accompanying papers and an illustration, on a letter report on the Martin Creek, Nev., authorized by the Flood Control Act, approved May 17, 1950; to the Committee on Public Works.

1660. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated November 13, 1961, submitting a report, together with accompanying papers and an illustration, on a letter report on the Eskoot Creek, Stinson Beach area, Marin County, Calif., authorized by the Flood Control Act, approved July 3, 1958; to the Committee on Public Works.

1661. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated March 31, 1961, submitting a report, together with accompanying papers and an illustration, on a letter report on St. Joseph's Cut, Calif., requested by a resolution of the Committee on Public Works, House of Representatives, adopted July 19, 1956; to the Committee on Public Works.

1662. A letter from the Secretary of the Army, transmitting a letter from the Acting Chief of Engineers, Department of the Army, dated November 7, 1961, submitting a report, together with accompanying papers and illustrations, on a review of the reports on the White Oak, Cypress, and Little Cypress Creeks, Tex., requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted August 20, 1957, June 13, 1956, and July 1, 1958, respectively; to the Committee on Public Works.

1663. A letter from the Vice Chairman, Civil Aeronautics Board, transmitting a draft of a proposed bill entitled "A bill to amend the act of September 7, 1957, relating to aircraft loan guarantees"; to the Committee on Interstate and Foreign Commerce.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. H.R. 9384. A bill for the relief of certain officers of the naval service erroneously in receipt of compensation based upon an incorrect computation of service for basic pay; without amendment (Rept. No. 1298). Referred to the Committee of the Whole House on the State of the Union.

Mr. LIBONATI: Committee on the Judiciary. H.R. 4188. A bill for the relief of the Clay County Hospital, Brazil, Ind.; with amendment (Rept. No. 1325). Referred to the Committee of the Whole House on the State of the Union.

Mr. ASPINALL: Committee of conference. H.R. 2470. A bill to provide for the establishment of the Lincoln Boyhood National

Memorial in the State of Indiana, and for other purposes (Rept. No. 1326). Ordered to be printed.

#### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. S. 67. An act for the relief of Col. Samuel Hale; without amendment (Rept. No. 1299). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. S. 429. An act for the relief of Aic. Percy J. Trudeau; without amendment (Rept. No. 1300). Referred to the Committee of the Whole House.

Mr. MacGREGOR: Committee on the Judiciary. S. 521. An act for the relief of Charles J. Utterback; without amendment (Rept. No. 1301). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. S. 1348. An act for the relief of the Sulzbach Construction Co.; without amendment (Rept. No. 1302). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 1348. A bill for the relief of William Burnice Joyner; without amendment (Rept. No. 1303). Referred to the Committee of the Whole House.

Mr. SHRIVER: Committee on the Judiciary. H.R. 1615. A bill for the relief of Francis Janis and certain other Indians; with amendment (Rept. No. 1304). Referred to the Committee of the Whole House.

Mr. LIBONATI: Committee on the Judiciary. H.R. 1697. A bill for the relief of Viola Borwick Warbis; with amendment (Rept. No. 1305). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 2839. A bill for the relief of Mildred Love Hayley; with amendment (Rept. No. 1306). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 3696. A bill for the relief of Gertrude M. Kaplan; with amendment (Rept. No. 1307). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 6075. A bill for the relief of Capt. H. A. Rowe; with amendment (Rept. No. 1308). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 6464. A bill for the relief of Cecil D. Rose; with amendment (Rept. No. 1309). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 6740. A bill for the relief of Teofilo Estoesta; with amendment (Rept. No. 1310). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 7671. A bill for the relief of Louanna L. Leis; with amendment (Rept. No. 1311). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 7704. A bill for the relief of Chyung Sang Bak; without amendment (Rept. No. 1312). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 7708. A bill for the relief of Mr. and Mrs. Gerald Beaver; with amendment (Rept. No. 1313). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 8195. A bill for the relief of Ronald L. Mutter; with amendment (Rept. No. 1314). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 8368. A bill for the relief of A. Eugene Congress; without amendment (Rept. No. 1315). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 8482. A bill for the relief of Paul J. Pericle; without amendment (Rept. No. 1316). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 8515. A bill for the relief of James R. Banks; with amendment (Rept. No. 1317). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 8628. A bill for the relief of Joseph A. Tedesco; with amendment (Rept. No. 1318). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 9060. A bill for the relief of Rhea G. Burgess; without amendment (Rept. No. 1319). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 9188. A bill to relieve Theodore A. Anderson from loss of agricultural conservation program benefits; without amendment (Rept. No. 1320). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 9596. A bill for the relief of Daniel E. Moore; without amendment (Rept. No. 1321). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 9597. A bill for the relief of James N. Tull; without amendment (Rept. No. 1322). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 9830. A bill for the relief of John B. Hogan; without amendment (Rept. No. 1323). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 9831. A bill to provide relief for the heirs and devisees of Fly and Her Growth, deceased Lower Brule Indian allottees; with amendment (Rept. No. 1324). Referred to the Committee of the Whole House.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H.R. 10091. A bill to prohibit aerial acrobatic performances without the use of safety nets; to the Committee on the Judiciary.

By Mr. COLLIER:

H.R. 10092. A bill to authorize the conveyance of certain surplus Federal lands to the State of Illinois for wildlife, conservation, and recreational purposes; to the Committee on Government Operations.

By Mr. GLENN:

H.R. 10093. A bill to reunite families in the United States by granting nonquota status to certain aliens entitled to a preference under the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

H.R. 10094. A bill to amend section 40 of the Federal Employees' Compensation Act with respect to the determination of monthly pay; to the Committee on Education and Labor.

By Mrs. GRIFFITHS:

H.R. 10095. A bill to continue until the close of June 30, 1963, the suspension of duties for metal scrap, and for other purposes; to the Committee on Ways and Means.

By Mr. KING of Utah:

H.R. 10096. A bill to confirm to the State of Utah title to the bed of the Great Salt Lake; to the Committee on Interior and Insular Affairs.



By Mr. KOWALSKI:

H.R. 10097. A bill to promote the foreign policy of the United States by authorizing the purchase of United Nations bonds and the appropriation of funds therefor, and to afford an opportunity for the people of the United States to participate in the purchase of such bonds; to the Committee on Foreign Affairs.

By Mr. MATHIAS:

H.R. 10098. A bill to authorize the exchange of certain lands at Antietam National Battlefield site; to the Committee on Interior and Insular Affairs.

By Mr. PETERSON:

H.R. 10099. A bill to confirm title of the State of Utah to the bed of the Great Salt Lake; to the Committee on Interior and Insular Affairs.

By Mr. GEORGE P. MILLER:

H.R. 10100. A bill to authorize appropriations to the National Aeronautics and Space Administration for research, development, and operation, construction of facilities, and for other purposes; to the Committee on Science and Astronautics.

By Mr. RIVERS of Alaska:

H.R. 10101. A bill to provide for a program of agricultural land development in the State of Alaska; to the Committee on Agriculture.

By Mr. ROBERTS of Alabama:

H.R. 10102. A bill to amend the Internal Revenue Code of 1954 to provide an increased exemption from income tax in the case of annuities payable under the Civil Service Retirement Act; to the Committee on Ways and Means.

By Mr. ROUDEBUSH:

H.R. 10103. A bill to amend the Internal Revenue Code of 1954 to provide an additional income tax exemption for each dependent who is a full-time undergraduate student at a college or university; to the Committee on Ways and Means.

By Mr. TEAGUE of Texas:

H.R. 10104. A bill to amend the National Aeronautics and Space Act of 1958, as amended, with respect to space communications facilities, and for other purposes; to the Committee on Science and Astronautics.

By Mr. WEAVER:

H.R. 10105. A bill to amend chapter 57 of title 39 of the United States Code to provide for adequate addresses on franked mail delivered by city carrier; to the Committee on Post Office and Civil Service.

By Mr. WHITTEN:

H.R. 10106. A bill to amend title 23 of the United States Code to increase the total mileage of the National System of Interstate and Defense Highways; to the Committee on Public Works.

By Mr. MATHIAS:

H.R. 10107. A bill to amend certain laws applicable to the District of Columbia Tax Court; to the Committee on the District of Columbia.

By Mr. HARRISON of Wyoming:

H.J. Res. 621. Joint resolution permitting the Secretary of the Interior to continue to deliver water to lands in the third division, Riverton Federal reclamation project, Wyoming; to the Committee on Interior and Insular Affairs.

By Mr. McDONOUGH:

H.J. Res. 622. Joint resolution declaring Communist arms and munitions contraband in the Western Hemisphere and making provisions to enforce the same; to the Committee on Foreign Affairs.

H.J. Res. 623. Joint resolution declaring that a state of conflict exists between the international Communist conspiracy and the Government and the people of the United States and making provisions to prosecute the same; to the Committee on Foreign Affairs.

By Mr. ALGER:

H. Con. Res. 410. Concurrent resolution expressing the declaration of will of the Amer-

ican people and purpose of their Government to reinstate the sovereignty of the United States and its people throughout the world and to guarantee the full protection of this Government for all its citizens and their property anywhere in the world; to the Committee on Foreign Affairs.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BASS of New Hampshire:

H.R. 10108. A bill authorizing the readmittance of Walter Sowa, Jr., to the U.S. Naval Academy; to the Committee on Armed Services.

By Mr. O'BRIEN of New York:

H.R. 10109. A bill for the relief of Sister Machi Shigehisa, and Sister Tamiko Hitomi; to the Committee on the Judiciary.

By Mr. RIEHLMAN:

H.R. 10110. A bill for the relief of Rathindra N. Roychoudhury; to the Committee on the Judiciary.

By Mr. RIVERS of Alaska:

H.R. 10111. A bill for the relief of Marvin M. Greenlee; to the Committee on the Judiciary.

By Mr. WHARTON:

H.R. 10112. A bill for the relief of John Baltis (John Paul Petalas); to the Committee on the Judiciary.

## PETITIONS, ETC.

Under clause 1 of rule XXII,

236. Mr. CUNNINGHAM presented a petition of 160 persons in South Dakota, Nebraska, California, Wisconsin, and Illinois, asking for an end to the Red mail subsidy, which was referred to the Committee on Post Office and Civil Service.

## SENATE

TUESDAY, FEBRUARY 6, 1962

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Eternal and ever-loving Father, in this mad and sad world, with the forces of envy and hatred rending in twain Thy human family, we look away from all the contentions of earth, knowing that nothing can separate us from the love of Thee, our God, and that we cannot drift beyond the circle of Thy care. It is in that love that a sparrow's fall is noted. It is in that law that the stars keep their courses. With that certainty as our shield, we confront the day with confidence and face the future unafraid.

Make us worthy of that love divine, which transfigures all it touches. May we not fall short of the high dignity with which Thou hast endowed us.

Protect our free land from the dire evils threatened by others who blaspheme Thy law. Deliver us also from the sinful tendencies of our own wayward natures which would lure us from the path of Thy commandments.

We ask it in the Redeemer's name. Amen.

## THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Monday, February 5, 1962, was dispensed with.

## MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

## EXECUTIVE MESSAGE REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting the nomination of G. Joseph Minetti, of New York, to be a member of the Civil Aeronautics Board, which was referred to the Committee on Commerce.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 5393. An act to amend the Bankruptcy Act; and

H.R. 8355. An act to authorize executive agencies to grant easements in, over, or upon real property of the United States under the control of such agencies, and for other purposes.

## HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H.R. 5393. An act to amend the Bankruptcy Act; to the Committee on the Judiciary.

H.R. 8355. An act to authorize executive agencies to grant easements in, over, or upon real property of the United States under the control of such agencies, and for other purposes; to the Committee on Public Works.

## LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that statements in connection with the morning hour be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

## CALL OF THE CALENDAR TOMORROW

Mr. MANSFIELD. Mr. President, today's calendar shows that unanimous consent was granted for a call of the calendar tomorrow, beginning with Calendar No. 1077. That is an error; the request was for a calendar call beginning with Calendar No. 1142. We expect to take up the money resolutions—Calendar Nos. 1096 through 1141—tomorrow, but they will not be considered under the unanimous-consent calendar call.